

# **2020** — **CORPORATE GOVERNANCE STATEMENT**





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# 1. Approach to governance

ANZ's Board, with the support of the Board Committees, is responsible for oversight of ANZ's governance framework. The framework seeks to provide effective and responsible decision making, assisting ANZ in delivering on its strategy and purpose.

**This Statement outlines key areas of the framework, which includes:**

An experienced and independent Board, supported by a Board Committee structure which is regularly reviewed to seek to ensure it continues to operate effectively and add value;

Clear delineation of the respective roles of Board and management;

Timely and balanced disclosure, including the corporate governance page of [anz.com](https://anz.com/corporategovernance) ([anz.com/corporategovernance](https://anz.com/corporategovernance)); and

A comprehensive risk management framework which is regularly reviewed.

## Board of Directors

PAUL O'SULLIVAN



Chairman, Independent Non-Executive Director

SHAYNE ELLIOTT



Chief Executive Officer, Executive Director

ILANA ATLAS, AO



Independent Non-Executive Director

PAULA DWYER



Independent Non-Executive Director

JANE HALTON, AO PSM



Independent Non-Executive Director

RT HON SIR JOHN KEY, GNZM AC



Independent Non-Executive Director

GRAEME LIEBELT



Independent Non-Executive Director

JOHN MACFARLANE



Independent Non-Executive Director

Full biography details can be found  
on our website at [anz.com/directors](https://anz.com/directors)

## Board overview

### Board composition

- ANZ's Board is comprised of seven Non-Executive, independent Directors (including an independent Chair, Paul O'Sullivan) and one Executive Director – ANZ's Chief Executive Officer (CEO), Shayne Elliott.
- Currently, three of ANZ's Directors are female and five are male.
- The names and biographical details of each Director, including their main associations outside ANZ, are available on ANZ's website at [anz.com/directors](https://anz.com/directors) and in the 2020 Annual Report.

### Board Committees

- Under ANZ's Constitution, the Board may delegate any of its powers to Committees of the Board. ANZ has six principal Board Committees – the Audit Committee (chaired by Paula Dwyer), the Ethics, Environment, Social and Governance (EESG) Committee (chaired by Paul O'Sullivan), the Risk Committee (chaired by Graeme Liebelt), the Human Resources Committee (chaired by Ilana Atlas, AO), the Digital Business and Technology Committee (chaired by Jane Halton, AO PSM) and the Nomination and Board Operations (NBO) Committee (chaired by Paul O'Sullivan). Each Committee has its own Charter setting out its roles and responsibilities.

## Corporate Governance Framework



## 2. Board areas of focus in FY20

The Board and its Committees engages in key strategic, governance and oversight activities each year. The list below is not a comprehensive list of all the matters but is illustrative to provide stakeholders with an insight into some of the key matters considered by the Board during the year.

### CRISIS MANAGEMENT



Over the year, Australia and the world has faced many crises, and the Board and its Committees have played an active role in providing oversight of the impact of and ANZ's response to, them, including the bushfires in Australia and the COVID-19 pandemic.

In relation to the Australian bushfires, this included reviewing ANZ's customer relief response, the impact to our customers, staff and the economy generally, ANZ's public commitments and contributions, and ANZ's next steps to support ongoing resilience for communities affected by this and future disasters. In addition to this, the Board attended a Bushfire marketplace where ANZ hosted at its Melbourne Head Office small business customers and their peers who had been impacted by the devastating bushfires in Victoria where customers sold their goods and services.

In relation to the COVID-19 pandemic, the Board adopted a multi-faceted approach utilising the range of its Committees as well as discussions at the Board itself. At the onset of the pandemic, Directors received a weekly informal briefing as to developments, supplemented with more detailed discussions at Board and Committee meetings.

Key topics of those discussions included in relation to:

- the measures put in place to support our customers, customer take up of those measures, ANZ's delivery of those measures and ongoing communications with impacted customers;
- the impact of the pandemic on the economy (domestic and international, looking at both the immediate and longer-term impacts of the pandemic), on various industries, and ANZ's risk approach to them, including risk appetite settings;
- discussions regarding the impact of the pandemic on the financial performance and position of the Group, including in relation to capital requirements and the payment of dividends to shareholders;
- the impact of the pandemic on ANZ's people, and the different geographic responses undertaken in the jurisdictions ANZ operates in, the steps ANZ was taking to protect and support its people and to prepare and equip them for operating remotely, including looking at the potential cultural impacts this may have.

The Board also had numerous discussions in relation to geopolitical matters and their potential impact on ANZ's operations.

## RISK, REGULATION AND REPUTATION



The Board and its Committees also continued its work in overseeing the important work being carried out by Management to learn the lessons from the Royal Commission, to oversee progress against ANZ's self-assessment roadmap, as well as ANZ's approach to improving organisational and risk culture.

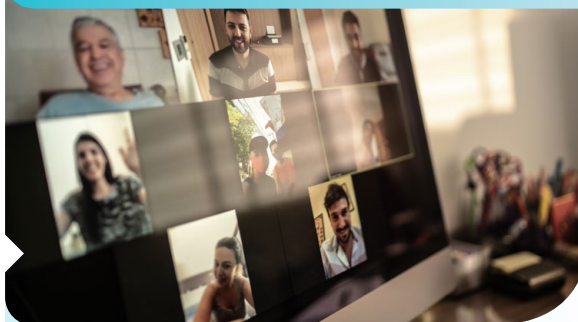
In addition, the Board continued its oversight of customer remediation, highlighting the importance to the Group of redressing customers when things go wrong and providing oversight of prevention and detection activities.

The Board and its Committees also had detailed and regular updates in relation to interactions with regulators around the world, including ASIC, APRA, AUSTRAC, AFCA, RBNZ, FMA and MAS. Directors also met with key regulators during the course of the year with the purpose of maintaining constructive and two-way dialogue, including with ASIC, APRA and AFCA.

The Board and its Committees also had numerous meetings in relation to developing ANZ's Compliance Strategy, its approach to the management of non-financial risks, risk appetite settings and the triennial independent review of ANZ's approach to compliance with APRA Prudential Standard 220 "Risk Management".

The Board and its Committees also discussed key environmental and social risk matters, including ANZ's approach to climate change, reviewing and approving ANZ's upgraded carbon policy, reviewing ANZ's industry association alignment with climate policy and changes to Modern Slavery and Human Rights laws.

## ENGAGEMENT



In addition to the informal briefings around the COVID-19 pandemic, meetings with regulators and attending the bushfire marketplace outlined above, the Directors continued its approach to meeting with customers, staff and investors, both in person and virtually.

This included having a virtual session with all of ANZ's Country Heads to discuss topical matters impacting their businesses.

A subset of Directors played an active role in attending meetings with Management throughout the year to actively engage and challenge their approach to stress testing the portfolio against severe but plausible stress events to inform risk appetite setting and capital planning processes.

Prior to the pandemic, the Board had established regular meetings in diverse geographic areas with a view to maximising interactions with customers, staff and other stakeholders. It is envisaged that this will continue when the environment allows it. During the financial year, the Board held physical meetings in Melbourne, Sydney and Brisbane.

## STRATEGY AND THE FUTURE



In addition to dealing with the above, the Board and its Committees continued to focus on longer-term strategic matters. It participated in its annual strategy session utilising internal and external experts to provide additional challenge and different points of view to assist the Board and Management in setting the strategic direction of the Group.

The Board received regular updates on the implementation of the Group's strategy from the Chief Executive Officer, and corresponding updates from Risk and Internal Audit in relation to their assessments of the risks associated with Management's approach to implementing the strategy.

The Board also received numerous updates in relation to the strategic approach to digitally transform its Australian Retail and Commercial business.

Finally, the Board carried out succession planning in respect of the Chairman, with the Board appointing Paul O'Sullivan to succeed David Gonski as Chairman, following his retirement on 28 October 2020.

## 3. The Board

### 3.1 Members of the Board

The roles of the Chairman and CEO are separate. Paul O'Sullivan has been Chairman since 28 October 2020. Paul was appointed as an Independent Non-Executive Director in November 2019. David Gonski retired as Chairman on 28 October 2020, having served as Chairman since May 2014, and was an independent Non-Executive Director on the Board from 2002 to 2007. Shayne Elliott has been CEO since 1 January 2016. As CEO, Shayne is not required to seek re-election by shareholders every three years, in accordance with ASX Listing Rules. Ilana Atlas, AO and John Macfarlane will stand for re-election at the 2020 AGM, in accordance with the ASX Listing Rules.

The name of each ANZ Director, together with their appointment information, is set out below.

Directors	Appointed to the Board	Last election/re-election date
Paul O'Sullivan (Chair of Board, EESG Committee and NBO Committee)	2019	2019
Shayne Elliott (CEO)	2016	N/A
Ilana Atlas, AO (Chair of Human Resources Committee)	2014	2017 – will seek re-election at the 2020 AGM
Paula Dwyer (Chair of Audit Committee)	2012	2018
Jane Halton, AO PSM (Chair of Digital Business and Technology Committee)	2016	2019
RT Hon Sir John Key, GNZM AC	2018	2018
Graeme Liebelt (Chair of Risk Committee)	2013	2019
John Macfarlane	2014	2017 – will seek re-election at the 2020 AGM

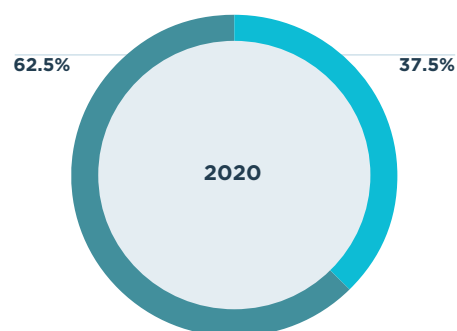
### 3.2 Role of the Board and management

The Board is responsible for the oversight of ANZ and its sound and prudent management, with specific duties as set out in its Charter. At management level, the Group Executive Committee (ExCo) comprises ANZ's most senior executives. The members of ExCo are set out on ANZ's website at [anz.com/exco](https://anz.com/exco). ANZ has a delegations of authority framework that clearly outlines those matters delegated to the CEO and other members of senior management.

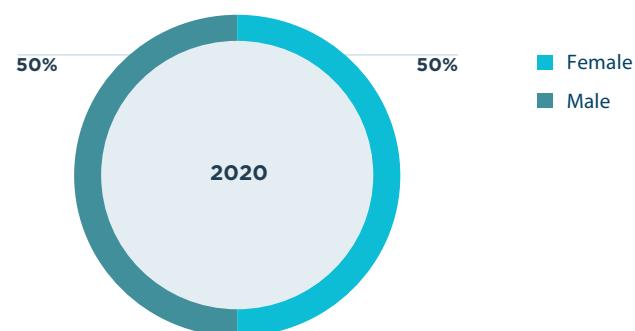


The Charters of the Board and each of its principal Committees are located on ANZ's website at: [anz.com/corporategovernance](https://anz.com/corporategovernance)

Board Gender Diversity



Board Committee Chair Gender Diversity



■ Female  
■ Male

### 3.3 Directors' attendance at Board and Committee meetings

The number of Board, and Board Committee, meetings held during the year and each Directors' attendance at those meetings are set out below:

	Board		Risk Committee		Audit Committee		Human Resources Committee		Ethics, Environment, Social and Governance Committee		Digital Business and Technology Committee		Special Committee of the Board <sup>1</sup>		Nominations and Board Operations		Shares Committee <sup>1</sup>	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
PAUL O'SULLIVAN	11	11	5	5			5	5			5	5			1	1		
ILANA ATLAS, AO	14	14			8	8	6	6	5	5					1	1	1	1
PAULA DWYER	14	14	7	7	8	8	6	6							1	1		
SHAYNE ELLIOTT	14	14															2	2
DAVID GONSKI, AC <sup>2</sup>	14	14	7	7	8	8	6	6	5	5	6	6			1	1	3	3
JANE HALTON, AO PSM	14	14					6	6	5	5	6	6			1	1		
RT HON SIR JOHN KEY, GNZM AC	14	14	7	7					5	5	6	5			1	1		
GRAEME LIEBELT	14	14	7	7	8	8	6	6							1	1		
JOHN MACFARLANE	14	14	7	7	8	8					6	6			1	1		

**Column A** – Indicates the number of meetings the Director was eligible to attend as a member.

**Column B** – Indicates the number of meetings attended. The Chairman became an ex-officio member of the Risk, Audit, Human Resources, Ethics, Environment, Social and Governance, Digital Business and Technology and Nomination and Board Operations Committees on 28 October 2020, upon David Gonski's retirement.

With respect to Committee meetings, the table records attendance of Committee members. Any Director is entitled to attend these meetings and from time to time Directors attend meetings of Committees of which they are not a member.

**1.** The meetings of the Special Committee of the Board and Shares Committee as referred to in the table include those conducted by written resolution.

**2.** David Gonski retired as Chairman and as a Non-Executive Director on 28 October 2020.

### 3.4 CEO and delegation to management

The Board appoints the CEO and certain members of the senior management team at ANZ, as set out in its Charter. The Board delegates to the CEO, and through the CEO to senior management, via the ANZ Delegations of Authority Policy, the authority and responsibility to make decisions with the aim of achieving the approved strategies and financial objectives of ANZ. This Policy is reviewed regularly.

ExCo generally meets each month and is responsible for delivering ANZ's purpose, to shape a world where people and communities thrive. It does this by focusing on:

- All key stakeholders;
- Shaping ANZ's culture and capabilities; and
- Prioritising ANZ's efforts and allocation of resources.

ANZ also has a number of formally established management committees, each of which deals with particular sets of ongoing issues with defined decision-making authority.

As required by the Banking Executive Accountability Regime (BEAR), individual accountability statements have been developed and are maintained for ANZ's Accountable Persons (all ANZ Directors and ExCo (other than the Group Executive, International and Group Executive, Data and Automation) and the Group General Manager, Internal Audit). These contain a comprehensive statement of their individual responsibilities and acknowledgment of their accountability obligations under BEAR.

In addition, ANZ maintains an Accountability Map for BEAR which describes the purpose of ANZ's Board, Board Committees and key management committees. The Map also includes mapping of management and governance arrangements across the Accountable Persons.

The ANZ Board Reserved Powers and ANZ Delegations of Authority policy together comprise a comprehensive Delegations of Authority Framework that applies to all employees and contractors of ANZ and its controlled entities.

### 3.5 Board composition, selection and appointment

ANZ reviews its Board composition regularly. The NBO Committee was created in 2019, with one of its duties being to assist the Board with all matters to do with reviewing Board composition. In assessing potential candidates and in undertaking reviews of the size and composition of the Board, the NBO Committee takes into account the guiding principle that the Board's composition should reflect an appropriate mix having regard to such matters as:

- skills/experience across the key areas identified in the ANZ Board Skills Matrix;
- tenure; and
- diversity.

The NBO Committee also takes into account factors including:

- relevant guidelines/legislative requirements in relation to Board composition;
- Board membership requirements as articulated in the Board Charter; and
- other considerations including ANZ's strategic goals.

The Board has an objective of maintaining at least 30% female membership of the Board, with a longer-term aspiration of having equal representation of females and males in its own composition.

When considering potential candidates, the Board also notes that diversity has a much broader dimension and includes other matters such as age and cultural identity (for example, ethnicity and country of origin). The Committee also considers a candidate's personal qualities, communication capabilities as well as ability to effectively challenge management, professional reputation and commitment to ethical behavior.

The Committee also reviews and recommends the succession planning for, and the process for electing, the Chairman of the Board, as required.

More detailed information on ANZ's nomination process can be found in ANZ's Board Composition, Selection and Appointment document, available on ANZ's website at [anz.com/corporategovernance](https://anz.com/corporategovernance).

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The NBO Committee has been delegated responsibility to review and make recommendations to the Board regarding board size and composition, and to identify individuals believed to be qualified to become Board members and recommend such candidates to the Board.

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### 3.6 Board skills and experience

The table below sets out the key skills and experience that the ANZ Board is looking to achieve in its membership and the number of Directors with each skill/experience.

In addition to having individuals on the Board with a variety of technical skills and experiences listed below, the ANZ Board

seeks to ensure that its own membership will operate as a team, focused on the long-term success of the business and comprise different personalities and viewpoints, who will respectfully challenge management and each other and participate in robust debate and work with peers to arrive at new solutions.

Skills and experience	Number of Directors
<b>Strategy and Commercial Acumen</b> (knowledge and experience in charting and monitoring the implementation of strategic objectives using commercial judgment)	8
<b>Banking and/or Financial Services</b> (experience outside ANZ in significant components of the banking or financial services industry)	6
<b>Technology</b> (knowledge and experience in the application and development within enterprises of major technology, data, technology related innovation or digital infrastructure or applications)	4
<b>Leadership role in organisations of significant size</b> (held CEO or senior position in a listed company or large/complex organisation or Government body)	8
<b>Workplace culture and/or remuneration</b> (knowledge and experience at a senior level in the management or oversight of workplace culture matters and/or the oversight of remuneration practices and senior appointments)	8
<b>Corporate Governance, Risk Management/Compliance and/or Sustainability</b> (including but not limited to experience in the design and application of corporate governance, risk management/compliance and/or sustainability frameworks and related practices. This includes experience as a Director/Executive of a listed company or large/complex organisation or Government body)	8
<b>Regulatory/Government Policy</b> (experience in relation to the development of regulation/government/industry policy matters and/or significant stakeholder engagement/management)	8
<b>International business experience</b>	8
<b>Financial acumen</b> (good understanding of financial statements relating to businesses of significant size, including ability to probe the adequacies of financial and related risk controls)	8

### 3.7 Director independence

ANZ's Board Charter requires that the Board has a majority of Non-Executive Directors who satisfy ANZ's criteria for independence. Those criteria are set out in the Board Charter and are reviewed by the NBO Committee regularly against the ASX Governance Principles, the APRA Prudential Standards, and the other relevant requirements. In 2020 the NBO Committee undertook a comprehensive review of ANZ's independence criteria to ensure they took account of changes to the ASX Governance Principles.

The Audit Committee Charter sets additional independence criteria for Audit Committee members which is also considered.



Further details of the criteria are set out on ANZ's website at [anz.com/corporategovernance](https://anz.com/corporategovernance)

ANZ's test for independence is whether a Director has a material relationship with ANZ. In summary, a relationship with ANZ is regarded as material if a reasonable person in the position of a Non-Executive Director of ANZ would expect there to be a real and sensible possibility that it would influence, or be perceived to influence, a Director's mind in:

- making decisions on matters likely to come regularly before the Board or its Committees;
- objectively assessing information and advice given by management;
- setting policy for general application across ANZ; and
- generally carrying out the performance of his or her role as a Director.

Directors may have a personal commercial relationship with, or are on the boards of companies and other organisations that have a commercial relationship with ANZ. Arrangements are in place (see Section 3.8) to seek to ensure that there are no independence issues arising from those relationships.

### 3.8 Conflicts of interest

Over and above the issue of independence, each Director has a continuing responsibility to determine whether he or she has a potential, or actual, conflict of interest in relation to any material matter which relates to the affairs of ANZ. Such a situation may arise from external associations, interests or personal relationships.

ANZ has a Directors' Disclosure of Interest Protocol and Procedures for Handling Conflicts of Interest. It provides that a Director may not exercise any influence over the Board if an actual or potential conflict of interest exists.

The Protocol contains more information around ANZ's approach to handling conflicts of interest, which is available on ANZ's website at [anz.com/corporategovernance](https://anz.com/corporategovernance).

### 3.9 Outside commitments of Non-Executive Directors

All Non-Executive Directors are asked to notify the Chairman before accepting any new outside appointment. The Chairman reviews the proposed new appointment and considers the issue on an individual basis.

The process the Chairman follows in carrying out this review, and the factors considered, are set out in the Outside Commitments of Non-Executive Directors document, which is available on ANZ's website at [anz.com/corporategovernance](https://anz.com/corporategovernance).

If the Chairman proposes to accept a new outside appointment, the longest serving Non-Executive Director substitutes for the Chairman for the purpose of the review and approval process set out above.

ANZ is comfortable with each of the outside commitments of the Non-Executive Directors.

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The Board has reviewed each Non-Executive Director's independence and concluded that each Non-Executive Director is independent.

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## 4. Performance evaluations

ANZ conducts performance evaluations of each Non-Executive Director, the Chairman of the Board, the Board and the Board Committees.

Details of the evaluation processes are summarised below and set out in more detail in ANZ's Board Renewal and Performance Evaluation Protocol, which is available on ANZ's website at [anz.com/corporategovernance](https://anz.com/corporategovernance).

### 4.1 Non-Executive Directors

For the evaluation of Non-Executive Directors, the Chairman normally has a one-on-one meeting with the Non-Executive Director regarding their performance, including compliance with the Non-Executive Directors' Code of Conduct. This year, an external facilitator received feedback on the performance of each Director. This information was fed back to the former Chairman who discussed the feedback with each Director.

### 4.2 Chairman of the Board

ANZ's longest serving Non-Executive Director usually facilitates the evaluation of the performance of the Chairman. This involves seeking input from each Director. This year, an external facilitator obtained feedback on the former Chairman from each Director which was fed back to the former Chairman.

### 4.3 The Board

On a periodic basis, the performance of the Board is evaluated using an independent external facilitator. ANZ expects this evaluation to occur approximately every three years. An external facilitator was utilised this year.

### 4.4 Board Committees

Each of the principal Board Committees conducts an annual self-assessment to evaluate the Committee's performance in a manner agreed by the NBO Committee.

### 4.5 Senior executives

The Remuneration Report in the 2020 Annual Report sets out how the Board evaluates the performance of the CEO and other key senior executives, including how we assess Risk and Reputation, Financial and Discipline, Customer, and People and Culture measures.

Relevant senior executive evaluations have been undertaken in respect of the 2020 financial year in accordance with this process.

### 4.6 2020 evaluation processes undertaken

This year, the Board utilised the services of an independent external facilitator to assist it with the evaluation of the Board and of the Directors. This included interviewing each of the Directors and key members of senior management. The Board has discussed the outcomes of the review and is discussing potential improvements to the operations of the Board and its Committees.

## 5. Other information

### 5.1 Fit and proper person checks and BEAR suitability

ANZ has processes that ensure individuals appointed to relevant senior positions have the appropriate fitness and propriety to properly discharge their prudential responsibilities.

The framework is set out in ANZ's Fit and Proper Policy for APRA Regulated Institutions. Before a new appointment is made to any of the following positions, the policy requires assessments to be carried out: each Director, relevant senior executives, and the APRA engagement partner of ANZ's External Auditor. The Board carries out assessments of ANZ's Non-Executive Directors, the Human Resources Committee assesses the CEO and key senior executives and the Audit Committee assesses the APRA engagement partner of ANZ's External Auditor. The assessment includes:

- each individual providing attestations;
- the reviewer obtaining evidence of the individual's material qualifications; and
- the reviewer checking the individual's past – for example: for any criminal record, bankruptcy history and regulatory disqualifications.

During the 2020 financial year, Annual Fit and Proper assessments were carried out for each Non-Executive Director, the CEO, key senior executives and the APRA engagement partner of ANZ's External Auditor.

The policy also sets out how the Board and Human Resources Committee assesses whether ANZ's Accountable Persons are suitable to act in that capacity pursuant to the requirements of the BEAR.

A Fit and Proper Policy summary with more information around the framework is available on ANZ's website at [anz.com/corporategovernance](https://anz.com/corporategovernance).

### 5.2 Appointment documentation

Each new Non-Executive Director receives a letter regarding their appointment together with a Director's Deed covering a number of issues including indemnity, directors' and officers' liability insurance, the right to obtain independent advice, confidentiality requirements and access to information.

Formal letters are provided to senior executives setting out the terms of their appointment.

### 5.3 Induction for directors

ANZ arranges an induction program which involves every new Director receiving information about all aspects of the Group's operations, including briefings with key members of senior management. This is followed up by additional meetings or information that may be requested by the new Director.

### 5.4 Directors right to independent advice

To help Directors fulfill their responsibilities, each Director has the right (with the prior approval of the Chairman) to seek independent professional advice, at ANZ's expense, about his or her responsibilities. In addition, the Board and each principal Committee may, at ANZ's expense, and with the approval of the Chairman, obtain whatever professional advice it requires to assist in its work.

### 5.5 Meeting director share qualifications

Within five years of each Non-Executive Director's appointment, they must accumulate, and then maintain, a holding in ANZ shares that is equivalent to at least 100% of a Non-Executive Director's base fee. The requirement for the Chairman is 200% of that fee. Based on the ANZ share price as at 30 September 2020, all Non-Executive Directors who have served five years met the holding requirement. Non-Executive Directors appointed within the last five years have either met or are building towards their shareholding requirement.

### 5.6 Non-Executive Director and senior executive remuneration

Information about the structure of the Non-Executive Directors' remuneration and the remuneration of the CEO and other senior executives is set out in the Remuneration Report in the 2020 Annual Report.

### 5.7 Election at next Annual General Meeting

As allowed by ANZ's Constitution and the Corporations Act 2001, the Board may appoint a Non-Executive Director of ANZ at any time. But that person must retire at the next Annual General Meeting.

If they wish to continue as a Director, they must seek election by shareholders at that Annual General Meeting.

### 5.8 Directors tenure and retirement

ANZ's Constitution requires a Non-Executive Director who wishes to continue in their role to seek re-election by shareholders every three years. This is consistent with the ASX Listing Rules.

In addition, ANZ's Board Renewal and Performance Evaluation Protocol requires Non-Executive Directors to retire when they have served three consecutive 3-year terms after first being elected by shareholders.

However, in special circumstances, the Board may invite them to extend their tenure.

### 5.9 Continuing education for directors

ANZ Directors take part in a range of training and continuing education programs relating to their duties and responsibilities as Directors, in addition to a formal induction program.

Each Committee also conducts its own continuing education sessions as appropriate and seeks to identify topics as part of their self-assessment. For example, the Audit Committee receives regular briefings on developments in accounting standards.

Internal and external experts are engaged, as required, to conduct education sessions.

## 6. Role of company secretaries

The Board is responsible for appointing ANZ's Company Secretaries. The Board has appointed two Company Secretaries. Profiles of ANZ's Company Secretaries can be found in the Directors' Report (in the 2020 Annual Report).

One of them is the Group General Counsel, Ken Adams. He is responsible for the provision of legal services to ANZ globally. He works closely with the Chairman, Directors and senior management and is responsible to the Board for the Company Secretary's Office.

The Company Secretary, Simon Pordage, is responsible for the operations of the Company Secretary's Office including administering Board and Board Committee meetings and associated Board governance requirements for ANZ and its Australian subsidiaries, administering Group requirements under BEAR, overseeing the relationship with ANZ's Share Registrar and administering ANZ's listed securities, including managing distributions, and communication and lodgment of information with, securities exchanges and corporate regulators.

He is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

He works closely with the Chair of the Board to develop and maintain ANZ's corporate governance principles.

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**The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.**

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## 7. Board Committees

### 7.1 Membership and attendance

Each of the principal Board Committees:

- is comprised solely of independent Non-Executive Directors – and has at least three members;
- has its own Charter;
- has the power to initiate any special investigations it considers necessary; and
- has the Board appoint one of its members as Chair.

Each year, the Board reviews Board Committee composition. The Chairman is an ex-officio member of each principal Board Committee and is Chair of the EESG Committee and NBO Committee. The CEO is invited to attend Board Committee meetings as appropriate. However, his presence is not automatic and he does not attend if his remuneration is being considered or discussed. Non-Executive Directors may, and are encouraged, to attend meetings of other Committees and are provided with papers for all meetings.

Each Board Committee may, within the scope of its responsibilities, have unrestricted access to management, employees and information it considers relevant to the carrying out of its responsibilities under its Charter.

Each Board Committee may require the attendance of any ANZ officer or employee, or request the attendance of any external party, at meetings as appropriate.

### 7.2 Audit Committee

The Audit Committee is responsible for providing oversight and independent review of:

- ANZ's financial reporting principles and policies, controls and procedures;
- the effectiveness of ANZ's internal control and risk management framework;

- the work of Internal Audit (IA) which reports directly to the Chair of the Audit Committee – see Section 8.1 of this Statement for more information about IA;
- the integrity of ANZ's financial statements and their independent audit, and compliance with related legal and regulatory requirements;
- prudential supervision procedures and other regulatory requirements (including reporting requirements) to the extent they relate to financial reporting; and reports from major subsidiary audit committees.

The Audit Committee is also responsible for:

- appointing, overseeing, and annually evaluating the External Auditor – including reviewing their independence, fitness and propriety and qualifications;
- compensation of the External Auditor;
- if appropriate, replacing the External Auditor; and
- reviewing the performance and remuneration of the Group General Manager, Internal Audit and making recommendations to the Board as appropriate.

Under the Committee Charter:

- each member of the Audit Committee must be appropriately financially literate; and
- collectively they must have the appropriate knowledge, skills and experience (including industry experience) to effectively discharge the Committee's responsibilities.

The Board has determined Paula Dwyer (Chair) was a 'financial expert' under the definition set out in the Audit Committee Charter. Although the Board determined that Paula has the necessary attributes to be a 'financial expert' in accordance with those requirements, it is important to note that this does not give Paula additional responsibilities to those of other members of the Audit Committee.

The Audit Committee regularly meets with the External Auditor and internal auditor without Management being present. The Chair of the Audit Committee meets separately and regularly with IA, the External Auditor and Management. The Deputy Chief Financial Officer is the executive responsible for assisting the Chair of the Committee in connection with the administration and efficient operation of the Committee.

The CEO and CFO gave the Board the declarations concerning the Group's 2020:

- full year financial statements, and other matters, that are required by s295A of the Corporations Act and Recommendation 4.2 of the ASX Governance Principles; and
- half-year financial statements, and other matters, that are required by Recommendation 4.2 of the ASX Governance Principles

### 7.3 EESG Committee

The EESG Committee is responsible for oversight, review and/or approval, (as applicable) of matters including:

- the proposed corporate sustainability objectives for ANZ;
- disclosures relating to ANZ's Sustainability Framework, objectives and related performance;
- ethical, environmental, social and governance risks and opportunities relevant to the bank's ability to operate as a fair, responsible and sustainable business;
- reports on ethical, environmental, social and governance matters;
- ANZ's Ethics and Responsible Business Committee;
- referring to the Board the resolution of any significant ethical or environmental, social and governance matters where applicable;
- the development of and approve applicable corporate governance policies and principles; and
- reviewing this Statement.

The Company Secretary and the Group General Manager, Corporate Affairs are the executives responsible for assisting the Chair of the EESG Committee with the operation of the Committee.

### 7.4 Human Resources Committee

The Human Resources Committee assists, and makes recommendations to, the Board in relation to remuneration matters and other Talent and Culture matters such as senior executive succession, diversity, culture and accountability and consequence management.

The Committee is responsible for reviewing and approving, or making recommendations to the Board on matters including:

- remuneration for the CEO and other key executives, and fees for the Non-Executive Directors;
- the design of significant variable remuneration plans;
- performance and reward outcomes for key senior executives;
- key senior executive appointments and terminations;
- the effectiveness of the ANZBGL Remuneration Policy and changes to the policy; and
- strategies and actions taken to transform culture, including but not limited to diversity and inclusion, employee engagement and leadership strategies and the accountability and consequence framework (excluding Board diversity which is monitored by the NBO Committee).

The Group Executive, Talent and Culture is responsible for assisting the Chair of the Committee with the operation of the Committee.

For more details on the activities of the Human Resources Committee, please see the Remuneration report in the Annual Report.

# ANZ Board Committee memberships

as at 4 November 2020

	Audit	Ethics, Environment, Social and Governance	Human Resources	Risk	Digital Business and Technology	Nomination and Board Operations
Membership						
Paul O'Sullivan*	✓	✓ c	✓	✓	✓	✓ c
Ilana Atlas, AO	✓	✓	✓ c			✓
Paula Dwyer	✓ c, FE		✓	✓		✓
Jane Halton, AO PSM		✓	✓		✓ c	✓
RT Hon Sir John Key, GNZM AC		✓		✓	✓	✓
Graeme Liebelt	✓		✓	✓ c		✓
John Macfarlane	✓			✓	✓	✓
Composition						
	<ul style="list-style-type: none"> <li>The Board appoints one of its members, other than the Chairman of the Board, to serve as the Committee's Chair</li> <li>The Risk Committee Chair is to be a member of the Audit Committee and vice versa to seek to ensure relevant information flows between these committees</li> <li>Additional eligibility for membership rules apply as set out in clause 6.2 of the Audit Committee Charter</li> </ul>	<ul style="list-style-type: none"> <li>The Board appoints one member of the Committee as its Chair</li> </ul>	<ul style="list-style-type: none"> <li>The Board appoints one member of the Committee as its Chair</li> <li>Committee membership will seek to ensure some overlap in membership between the Audit, Risk and Human Resources Committees</li> </ul>	<ul style="list-style-type: none"> <li>The Board appoints one of its members, other than the Chairman of the Board, to serve the Committee's Chair</li> <li>Committee membership will seek to ensure some overlap in membership between the Risk and Human Resources Committees</li> <li>The Audit Committee Chair is to be a member of the Risk Committee and vice versa to seek to ensure relevant information flows between these committees</li> </ul>	<ul style="list-style-type: none"> <li>The Board appoints one member of the Committee as its Chair</li> </ul>	<ul style="list-style-type: none"> <li>The Board appoints one member of the Committee as its Chair</li> </ul>

- All members are required to be independent, Non-Executive Directors
- Minimum membership of each Committee is 3 Non-Executive Directors which may include the Chairman of the Board (ex Officio)
- Each Director may attend (but not vote at) a meeting of a Committee of which he or she is not a member

\* ex Officio membership

C Chair FE Financial Expert

## 7.5 Risk Committee

The Board is responsible for approving the Group's risk appetite, including risk appetite statement and risk management strategy.

This responsibility extends to overseeing management establishing a sound risk management culture to facilitate effective risk management throughout the Group, which in turn supports the ability of ANZ to operate consistently within its risk appetite.

The Risk Committee assists the Board:

- by independently overseeing management's implementation of the risk management framework and its related operation;
- by taking a Group-wide view of ANZ's current and future risk position relative to the Group's risk appetite and capital strength;
- in discharging its responsibilities for business, market, credit, equity and other investment, financial, operational, compliance, liquidity and reputational risk management and for the management of the Group's compliance obligations; and
- by advising the Board on current and future risk appetite and risk management strategy.

The Committee is authorised to approve credit transactions beyond the approval discretion of management.

The Chief Risk Officer is responsible for assisting the Chair of the Committee with the operation of the Committee.

### Risk management framework

There is a risk management framework in place to monitor and manage ANZ's key risks. The Board, with the endorsement of the Risk Committee, reviews the framework at least annually to satisfy itself that the framework continues to be sound and that ANZ is operating with due regard to the risk appetite set by the Board. This review was conducted during the 2020 financial year. The Annual Report contains further information on ANZ's framework, including how it is structured with respect to the Three Lines-of-Defence Model and Risk Management Committee, actions taken to improve risk management during the year and emerging risks for ANZ. Under the Three Lines-of-Defence Model, the business has first line of defence responsibility, the Risk Function is the second line of defence and Internal Audit is the final line of defence.

## 7.6 Digital Business and Technology Committee

The Digital Business and Technology Committee is responsible for assisting the Board in the effective discharge of its responsibilities in connection with the oversight of ANZ's digital transformation, data, technology, technology-related innovation and information/cyber security strategies.

It provides a forum for Committee members to question and explore relevant matters in more depth than they could at a Board meeting. The Committee is responsible for:

- monitoring and providing guidance as appropriate on, matters relating to ANZ's digital transformation, technology, technology-related innovation and information/cyber security strategies;
- monitoring the delivery of the key programs that form part of ANZ's digital transformation, technology, technology-related innovation, and information/cyber security strategies;
- recommending to the Board and monitoring the delivery of material digital transformation and technology investments, including those exceeding AUD100 million; and
- reviewing the health and relevance of ANZ's technology suite, to ensure secure, stable and reliable services.

The Group Executive, Technology is responsible for assisting the Chair of the Committee with the operation of the Committee.

## 7.7 Nomination and Board Operations Committee

The NBO Committee was formed in 2019 to assist the Board with all matters to do with the proper functioning of the Board, including in relation to its ongoing composition and overall Board operations. Its duties include:

- all matters to do with reviewing Board composition, including renewal and succession planning, the processes for Director selection, appointment and re-election, the effectiveness of ANZ's approach to diversity, monitoring and making amendments to ANZ's Board skills matrix, recommending individuals to the Board to be appointed as directors and succession planning for the Chairman of the Board;

- the review and approval of processes for evaluating the performance of the Board, each principal Committee and each Director including the Chairman but excluding the CEO; and
- all other matters to do with the effective and efficient operation of the Board and its principal Committees.

The Company Secretary is responsible for assisting the Chair of the Committee with the operation of the Committee.

## 7.8 Additional Committees

In addition to the six principal Board Committees, the Board has constituted two Committees, consisting solely of Directors, to assist in carrying out specific tasks. They are:

- the Special Committee of the Board, which has the full power of the Board and is convened as necessary between regularly scheduled Board meetings to deal with urgent matters; and
- a Shares Committee, which has the power to manage on behalf of the Board the issue of shares and options – including under ANZ's Employee Share Acquisition Plan and Share Option Plan.

The Board also forms and delegates authority to ad-hoc Committees of the Board as and when needed to carry out specific tasks.

## 8. Audit and financial governance

### 8.1 Internal Audit

Internal Audit (IA) is independent of management. Its role is to provide the Board and management with an independent appraisal of the internal controls established by ANZ's first (business) and second (Group Risk) lines of defence. IA operates under a Board approved Charter. The outcome of IA's work is reported through the Audit Committee Chair to the Audit Committee. IA has a direct communication line to the Group Chief Executive and the External Auditor.

The IA team includes six General Managers accountable for the provision of audit services to their respective Divisions. The General Managers, together with the Head of Audit Services and Group General Manager, IA, form the IA Leadership Team. IA uses a global audit pool structure, which comprises individuals with skills in Technology, Credit Assurance, Culture Assessments, Data Analytics and Operational audits. The global team is spread across fourteen locations.

IA operates to its annual IA Plan, which is developed and reviewed in line with ANZ's overall risk appetite and risk management framework. The Audit Committee reviews and approves the annual IA Plan and any material changes to it. This ensures the Plan meets regulatory requirements and covers all material risks. The Audit Committee also approves the annual budget for the IA function.

All audit activities are conducted in accordance with ANZ policies and values, including ANZ's Employee Code of Conduct, as well as local and international auditing standards promulgated by the professional auditing bodies. The Group General Manager, IA presents reports at each Audit Committee meeting. The reports cover: major activities and findings; statistics on issued audit reports and ratings; and information about the internal audit function – including progress on strategic initiatives, staffing and other related matters.

IA assesses and reports on the effective and timely resolution of audit issues raised.

### 8.2 External audit

The External Auditor's role is to provide an independent opinion that ANZ's financial report and remuneration report are true and fair and comply with accounting standards and applicable regulations. The External Auditor performs an independent audit in accordance with Australian Auditing Standards. The Audit Committee oversees ANZ's Stakeholder Engagement Model for Relationship with the External Auditor (Stakeholder Engagement Model).

Under the Stakeholder Engagement Model, the Audit Committee is responsible for appointing (subject to ratification by shareholders) and also compensating, retaining and overseeing the conduct of the external audit.

The Stakeholder Engagement Model also stipulates that the Audit Committee:

- pre-approves all audit, audit related and non-audit services either on an engagement-by-engagement basis or under a specific service pre-approved by the Committee;
- regularly reviews the independence of the External Auditor; and
- evaluates the effectiveness of the External Auditor.



The Stakeholder Engagement Model can be found on ANZ's website at: [anz.com/corporategovernance](https://anz.com/corporategovernance)

The Stakeholder Engagement Model contains a number of requirements as to non-audit services that the External Auditor may provide, as well as recruitment and rotation requirements of external auditor staff.

Information about the non-audit services provided by the External Auditor, KPMG, during the 2020 financial year is set out in the Directors' Report in the 2020 Annual Report. That information includes the cost of those services and a statement from the Board as to its satisfaction with KPMG's compliance with the related independence requirements of the Corporations Act 2001.

### 8.3 Financial controls

The Audit Committee oversees: ANZ's financial reporting policies and controls; the integrity of ANZ's financial statements; the relationship with the External Auditor; the work of IA; and the audit committees of various significant subsidiary companies.

Senior management – including senior divisional and finance and risk executives – attest to the integrity of financial results, disclosures, compliance obligations and internal control. This governance attestation is aligned with ANZ's external reporting obligations. ANZ also maintains a financial reporting governance framework and program, that assesses the effectiveness of key internal controls over financial and prudential regulatory reporting.

Significant matters arising from either the management attestation or governance assessment are reported to the Audit Committee.

## 9. Ethical and responsible decision-making

### 9.1 Codes of conduct

ANZ has two Codes of Conduct – the Employee Code and the Non-Executive Directors Code (the Codes). The Employee Code supports ANZ's values and provides ANZ employees with a practical set of guiding principles to help them make fair, balanced and ethical decisions in their day-to-day work. The Non-Executive Directors Code recognises the different responsibilities that Directors have under law and enshrines the same values and principles as the Employee Code.

The Codes require honesty, integrity, quality and trust. ANZ employees and Directors are required to demonstrate these behaviours and to comply with the Codes. The Codes are supported by a suite of policies that are reviewed regularly to ensure they reflect any changes in law and otherwise remain fit for purpose. Directors' compliance with the Non-Executive Directors Code forms part of their usual annual performance review.

The Codes, and ANZ's values, are available on ANZ's website at [anz.com/corporategovernance](https://anz.com/corporategovernance). ANZ's 2020 Annual Report contains information on work undertaken during the year with respect to ANZ's conduct and culture (including breaches). The EESG Committee is informed of material breaches of the Codes.

Further information about the Codes, including on internal training and breaches, is available in ANZ's 2020 ESG Supplement.

### 9.2 Securities trading

The Trading in ANZ Securities Policy prohibits trading in ANZ securities by all employees, Directors and contractors who possess information that is not generally available and that could be reasonably expected to have a material, or significant, effect on the price, or value, of an ANZ security.

The Policy specifically prohibits ANZ Directors and certain 'restricted persons' (which includes certain senior executives) and their associates from trading in ANZ securities during 'blackout periods' as defined in the Policy. The Policy:

- excludes certain types of trading from the trading restrictions under the Policy;

- allows in exceptional circumstances, and with prior written clearance, trading during a prohibited period;
- prohibits employees and their associates from hedging interests that have been granted under any ANZ employee equity plan that are either unvested or subject to a holding lock; and
- prohibits ANZ Directors and restricted persons from using ANZ securities in connection with a margin loan or similar financing arrangement which may be subject to a margin call or loan-to-value ratio breach.

The Policy is available on ANZ's website at [anz.com/corporategovernance](https://anz.com/corporategovernance).

### 9.3 Whistleblower protection

ANZ has a strong values based culture that encourages openness, integrity and accountability. The Whistleblower Policy has been developed to ensure that all current and former employees, officers, associates, contractors and sub-contractors of the ANZ group, along with their families and relatives, can freely and without fear of detriment raise concerns regarding actual or suspected misconduct by ANZ, or anyone connected to the ANZ group.

The Whistleblower Policy and program provides protections for individuals who disclose wrongdoing, helps uncover misconduct that may not otherwise be detected, holds ANZ accountable to its ethical and professional standards and promotes compliance with applicable laws and the importance of a 'speak up' culture.

A whistleblower can make a confidential disclosure under the Whistleblower Policy in a number of ways, including to a Whistleblower Protection Officer, the Whistleblower Program Team, or anonymously via phone, email and web-based channels operated by ANZ's external whistleblower reporting service, managed by a third party provider (Deloitte). ANZ maintains confidentiality of all reports to the fullest extent possible and does not tolerate any detriment or form of reprisal against anyone who raises a genuine concern about actual or suspected misconduct.

ANZ's Whistleblower Program team reports on a monthly basis to the Chief Compliance Officer and to the Operational Risk Executive Committee twice annually. Reporting to the EESG Committee is on a quarterly basis and includes any material

incidents raised under the policy and actions taken. Reporting to other boards and committees of the ANZ group are made in a manner agreed between the Whistleblower Program and the relevant board or committee from time to time. Reporting is prepared on a deidentified basis to protect reporter identity.

Any report involving a Director or the CEO of ANZ is required to be reported to the Chair of ANZ.

ANZ's Whistleblower Policy is available on [anz.com/corporategovernance](https://anz.com/corporategovernance).

### 9.4 Anti-bribery and anti-corruption

ANZ is committed to complying with all applicable anti-bribery and anti-corruption (ABAC) laws of the jurisdictions in which it operates, applying and maintaining the highest level of ethical behavior and standards. It has an ABAC Policy which prohibits ANZ employees, contingent workers and third parties acting for or on behalf of the ANZ group from engaging in activity that constitutes bribery or corruption. The policy defines unacceptable behavior and activity relating to bribery and corruption and sets out the principles that form the foundation for ANZ's ABAC compliance framework, which enables ANZ to prevent, identify and respond to bribery and corruption risks.

It includes prohibitions on:

- the giving or receiving of bribes in any form, including with respect to public officials and all commercial relationships;
- the giving or receiving of gifts, entertainment and sponsored travel;
- offering anything of value to a public official in order to improperly influence in order to obtain any improper advantage of any kind; and
- making a donation to improperly influence to obtain an advantage of any kind.

Breaches of ANZ's ABAC Policy constitute a breach of ANZ's Code of Conduct and material breaches are reported to the Board and/or the Risk Committee.

ANZ's ABAC Policy is available on ANZ's website at [anz.com/corporategovernance](https://anz.com/corporategovernance).

## 10. Commitment to shareholders

### 10.1 Communication

To be able to make informed decisions about ANZ, and to communicate views to ANZ, shareholders need an understanding of ANZ's business operations, performance and governance framework.

Generally, we do that through our reporting of results, the Annual Report (which now incorporates the Annual Review), announcements and briefings to the market, half yearly newsletters and through our dedicated shareholder site [anz.com/shareholder/centre](https://anz.com/shareholder/centre).

We strive for transparency in all our business practices, and we recognise the impact of quality disclosure on the trust and confidence of shareholders, the wider market and the community. To this end, ANZ, in addition to its scheduled results announcements, issued Trading Updates to the market during the 2020 financial year.



If you require any information or wish to express your view to ANZ on any matters of concern or interest, then the contact details for ANZ Investor Relations and ANZ's Share Registrar, Computershare Investor Services (including postal, telephone and email) are set out in ANZ's 2020 Annual Report and on ANZ's website at: [anz.com/annualreport](https://anz.com/annualreport).

ANZ shareholders have the option of receiving communications from, and sending communications to, ANZ and its Share Registrar electronically.

ANZ also has a comprehensive investor relations program, which facilitates effective communication with investors.

### 10.2 Meetings

To allow as many shareholders as possible to have an opportunity to attend shareholder meetings, ANZ rotates meetings around capital cities and makes them available to be viewed online using webcast technology.



Information on meetings and presentations held throughout this financial year are available on ANZ's website at: [anz.com/shareholder/centre](https://anz.com/shareholder/centre)

Before the Annual General Meeting, shareholders have the opportunity to submit questions to the Chairman or CEO to enable key common themes to be considered during the meeting.

The External Auditor attends ANZ Annual General Meetings and is available to answer shareholder questions on any matter that concerns them in their capacity as auditor.

Directors are also required to attend the Annual General Meeting, except in unusual circumstances. In 2020 a virtual Annual General Meeting will be held due to COVID-19.

Shareholders have the right to vote on various resolutions related to company matters. Shareholders are encouraged to attend and participate in meetings. But, if they are unable to attend a meeting, then they can submit their proxies via post or electronically. At the upcoming 2020 Annual General Meeting, all resolutions will be determined by a poll (which is usual ANZ practice), then shareholders are able to cast their votes on a confidential basis.



ANZ appoints an independent party, normally KPMG, to verify the results of the meeting. Those results are reported as soon as possible to ASX and posted on ANZ's website at: [anz.com/agm](https://anz.com/agm)

ANZ's Notice of 2019 Annual General Meeting contained all material information in its possession relevant to the business of the meeting, including the election and re-election of Director at that AGM.

ANZ encourages shareholders to take an active interest in ANZ, and seeks to provide shareholders with quality information in a timely fashion.

## 11. Continuous disclosure

ANZ is required to comply with the disclosure requirements of the listing rules of the ASX, New Zealand Stock Exchange (NZX), and other offshore exchanges on which ANZ securities are listed, as well as relevant corporations and securities legislation. Unless an exception applies, ANZ must immediately notify the ASX, followed by the NZX, of any market sensitive information. Relevant disclosures will thereafter be lodged with other offshore exchanges where determined by the Company Secretary's Office. Announcements and presentations regarding market sensitive information that have been lodged with ASX will be accessible on ANZ's website.

Members of ANZ's Continuous Disclosure Committee are generally responsible for reviewing proposed disclosures and making decisions in relation to what information will be disclosed to

the market. ANZ employees and contractors must inform the Company Secretary (or in his absence, the Group General Counsel) of any potentially price sensitive information concerning ANZ as soon as they become aware of it.

ANZ's Board receives copies of all material market announcements promptly after they have been made. Any new and substantive investor or analyst presentation is lodged with the ASX ahead of the presentation.

ANZ undertook a comprehensive review of its Continuous Disclosure Policy in 2020. It is available on ANZ's website at [anz.com/corporategovernance](https://anz.com/corporategovernance).

## 12. Economic, environmental and social sustainability risks

Details of ANZ's material economic, environmental and social sustainability risks, as well as details of how ANZ manages those risks, are referred to in ANZ's Principal Risks and Uncertainties Disclosure, Annual Report, ESG Supplement and Climate-Related Financial Disclosures, which are available on ANZ's website at [anz.com/annualreport](https://anz.com/annualreport).

# Diversity and inclusion at ANZ

## 13. Diversity and inclusion

### 13.1 Creating an inclusive workplace

ANZ believes in the inherent strength of a vibrant, diverse and inclusive workforce in which the backgrounds, perspectives and life experiences of our people help us to forge strong connections with all our customers, innovate and make better decisions for our business. We're committed to building a workforce that reflects the communities in which we operate by creating a diverse and inclusive workforce and providing opportunities to under represented groups.

Diversity in this context includes age, caring responsibilities, cultural identity, disability, gender expression and identity, ethnicity, education, family/relationship status, sexual orientation, religious beliefs, and/or socioeconomic background. Diversity also encompasses the many ways people differ in terms of their education, life experience, location, personality, ways of thinking, and work experience.



ANZ's Diversity and Inclusion Policy is on ANZ's website at:  
[anz.com/corporategovernance](https://anz.com/corporategovernance)

### 13.2 Leadership, governance and accountability

ANZ's Human Resources Committee plays an important role in relation to ANZ's people strategy, remuneration strategy and approach to diversity and inclusion (including gender diversity).

The Human Resources Committee has an overarching role to:

- review, note and monitor the effectiveness of ANZ's approach to diversity and inclusion;
- review and approve measurable objectives for achieving diversity (including gender diversity) and inclusion; and
- review annually both the objectives and progress towards achieving them.

The Human Resources Committee also reviews annual performance and remuneration outcomes. This review includes:

- analyzing the following outcomes by gender: distribution of performance ratings, change in salary and short term incentives; and
- a focus on gender pay equity, with all outcomes reviewed by the CEO.

Gender diversity matters in connection with the Board are the responsibility of the NBO Committee.

The EESG Committee approves annual sustainability targets, including improving the representation of Women in Leadership<sup>1</sup> and building a diverse and inclusive workforce. Progress against these targets is monitored by ExCo on generally a monthly basis. The overall scorecard (of which Women in Leadership is one of the many measures) and a number of other factors inform the pool.

### 13.3 ANZ's progress

Diversity and inclusion targets	Progress
Increase the representation of Women in Leadership by 3% to 34.1% by end 2020.	Group-wide representation of Women in Leadership is at 33.4%. This represents a 2.3% increase from 31.1% at 30 September 2017.
Recruit >1,000 people from under-represented groups including Indigenous Australians, people with a disability, and refugees by end 2020.	Since 2016, we have recruited 919 people from under-represented groups. This figure is made up of 383 Indigenous Australians, 434 people with a disability, and 102 refugees.

1. "Women in Leadership" comprises all roles within ANZ designated as Group 1, 2 and 3, including KMP.

### 13.4 Gender balance at Board, senior executive and leadership levels

As at the date of this report, ANZ's Board comprises eight directors, one Executive Director (the CEO), and seven Non-Executive Directors, three of whom are women. Female representation on the Board is now at 37.5%. The Board's current objective is to maintain at least 30% female representation on the Board. In the long term, the Board's aspirational goal is to have equal representation of females and males in its own composition.

ANZ has six women on its 12-person ExCo (50% female representation): the Chief Financial Officer; the Group Executive Talent and Culture; the Group Executive Digital and Australia Transformation; the Acting CEO New Zealand; the Group Executive Data and Automation, and the Deputy Chief Executive Officer and Group Executive Wealth Australia. Five of ANZ's Key Management Personnel (KMP) are women (50% female representation) and ANZ has an objective to maintain at least 40% women as KMP.

Given ANZ has had a majority female workforce for many years (currently 51.9%), ANZ sets a measurable objective for achieving gender diversity in the composition of Women in Leadership rather than of the whole workforce. We consider this to be a more appropriate objective for ANZ as it focuses our effort on the levels most in need of improvement, being the most senior and influential levels of the bank.

During the 2020 financial year, overall representation of Women in Leadership increased by 0.9% to 33.4%. Maintaining the focus on achieving gender balance remains a key strategy across all of ANZ's geographies and businesses.

As at 30 September 2020, females were appointed to 48% of all employee directorships on subsidiary boards.

### 13.5 Proportion of women in leadership roles and at ANZ

Results for the 2020 financial year are set out below, including how ANZ has defined senior executive for this purpose.

Group <sup>^</sup>	2019 Actual % of women	2020 Actual % of women
Key Management Personnel <sup>1</sup>	50%	50%
Women in Leadership	32.5%	33.4%
<b>ANZ Overall</b>	<b>52.6%</b>	<b>51.9%</b>

<sup>^</sup> "Group" includes all employees regardless of leave status (but not contractors, which are included in FTE). <sup>1</sup> ANZ has defined 'Senior Executive' to mean "KMP", which means Disclosed Executives as set out in the Remuneration Report contained within the Annual Report.

### 13.6 2021 Diversity and inclusion targets

We are currently finalizing our new Diversity & Inclusion strategy which will inform our approach and targets for FY21 and beyond.

We have a renewed objective to increase Women in Leadership by 1% year on year (FY21-FY24).

More information on ANZ's approach to diversity and inclusion is available in the 2020 Annual Report and ESG Supplement (independently assured by KPMG).



Under the Workplace Gender Equality Act, ANZ is required to make annual public filings with the Workplace Gender Equality Agency (WGEA), disclosing its "Gender Equality Indicators". These reports are filed annually in respect of the 12 month period ending March 31. ANZ's latest filing is available on ANZ's website: [anz.com.au/about-us/sustainability/workplace-participation-diversity/gender/](https://anz.com.au/about-us/sustainability/workplace-participation-diversity/gender/)

### Website

Details of ANZ's governance framework are located on ANZ's website at [anz.com/corporategovernance](https://anz.com/corporategovernance). There you can read:

- the charters of the Board and each Board Committee; and
- many of the documents and policies mentioned in this Statement.

### Compliance with governance recommendations

ANZ confirms it has followed the Recommendations of the ASX Corporate Governance Council throughout the 2020 financial year. The information in this Statement is current as at 4 November 2020 and has been approved by ANZ's Board.

This Statement, together with ASX Appendix 4G which relates to this Statement, has been lodged with ASX and is located on ANZ's website [anz.com/corporategovernance](https://anz.com/corporategovernance). Further information about ANZ is contained in ANZ's 2020 Annual Report.



[shareholder.anz.com](https://shareholder.anz.com)

Australia and New Zealand Banking Group Limited (ANZ) ABN 11 005 357 522.

ANZ's colour blue is a trade mark of ANZ.

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Australia and New Zealand Banking Group Limited

ABN / ARBN:

11 005 357 522

Financial year ended:

30 September 2020

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- ☐ These pages of our annual report:
- ☒ This URL on our website: [anz.com/corporategovernance](http://anz.com/corporategovernance)

The Corporate Governance Statement is accurate and up to date as at 4 November 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 9 November 2020

Name of Director or Secretary authorising  
lodgement: Simon Pordage, Company Secretary

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 6 and 7 ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 6 and 7 and in our Board Charter which is available at this URL on our website: <a href="http://anz.com/corporategovernance">anz.com/corporategovernance</a>
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 12 and 19
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 12
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 13

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 21</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this URL on our website: <a href="http://anz.com/corporategovernance">anz.com/corporategovernance</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 21 and 22</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 22</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 11</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 11</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 11</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 11</p>
<b>PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE</b>		

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 13 and 16</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this URL on our website: <a href="http://anz.com/corporategovernance">anz.com/corporategovernance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 7 and 15</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 9</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 2</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p>Not applicable</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 6</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 2 and 10</p>
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 6</p>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 12</p>
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>		

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 18 and at this URL on our website: <a href="http://anz.com/corporategovernance">anz.com/corporategovernance</a>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>		
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 13 and 15 ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this URL on our website: <a href="http://anz.com/corporategovernance">anz.com/corporategovernance</a> ... and the information referred to in paragraphs (4) and (5): <input checked="" type="checkbox"/> on pages 44 to 48 of our 2020 Annual Report which is available at this URL on our website: <a href="http://anz.com/annualreport">anz.com/annualreport</a> and in our Corporate Governance Statement on page 7
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 14
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 19
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 20 and at this URL on our website: <a href="http://anz.com/corporategovernance">anz.com/corporategovernance</a>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at this URL on our website: anz.com/corporategovernance
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 19
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 19
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 19
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>		
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 13 and 16 ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this URL on our website: anz.com/corporategovernance ... and the information referred to in paragraphs (4) and (5): <input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 7 and 15
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 16 ... and that such a review has taken place in the reporting period covered by this Appendix 4G: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 16

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	... how our internal audit function is structured and what role it performs: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 17
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 20
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 13 and 14 ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this URL on our website <a href="http://anz.com/corporategovernance">anz.com/corporategovernance</a> ... and the information referred to in paragraphs (4) and (5): <input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 7 and 15
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 12
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 18 and at this URL on our website: <a href="http://anz.com/corporategovernance">anz.com/corporategovernance</a>