

## Contents

1. Introduction
2. Purpose and Role
3. Powers
4. Specific Responsibilities
5. Board Membership
6. Independence
7. Meetings
8. Board Committees
9. Board Renewal, Performance Evaluation and Charter Review
10. Relationship with ANZ Bank New Zealand Limited

### 1. Introduction

- 1.1 ANZ aims to deliver superior long-term total shareholder return, taking proper account of employees, customers, and others with whom we do business as well as the communities and environments in which we operate.
- 1.2 ANZ places great importance on the values of Integrity, Collaboration, Accountability, Respect and Excellence.
- 1.3 The Board will work to promote and maintain an environment within ANZ that establishes the principles and approaches in Sections 1.1 and 1.2 as basic guidelines for all of its employees and representatives.

### 2. Purpose and Role

- 2.1 The Board is responsible for:
  - (a) charting and monitoring the long-term implementation of ANZ's strategies, financial objectives and cultural direction (including ANZ's purpose, values and expected behaviours);
  - (b) monitoring compliance with regulatory requirements, ethical standards and external commitments, and the implementation of related policies; and
  - (c) appointing and reviewing the performance of the Chief Executive Officer.
- 2.2 In performing the responsibilities set out above the Board should act at all times:
  - (a) in a manner that recognises the importance of ANZ's purpose and values;
  - (b) in accordance with the duties and obligations imposed upon them by the Constitution and by law;
  - (c) having due regard to ANZ's corporate sustainability objectives, and the importance of ANZ's relationships with all its stakeholders and the communities and environments in which ANZ operates;

- (d) in a manner that aims to seek fair customer outcomes and financial market integrity; and
- (e) having due regard to the impact of decisions made by the Board in the long-term.

### **3. Powers**

- 3.1 In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board are as follows:
  - (a) appointment of the Chief Executive Officer and determination of his or her terms and conditions (including remuneration);
  - (b) appointment of all other ANZ Board Appointees (as determined by the Board from time to time), and appointment of Company Secretaries, noting that authority has been delegated to the Chief Executive Officer and Chairman of the Board to approve acting appointments to ANZ Board Appointee roles (except for the Chief Risk Officer role where consultation will also occur with the Risk Committee Chair and the Group General Manager Internal Audit role where consultation will also occur with the Audit Committee Chair);
  - (c) any matters in excess of any discretions that it may have delegated from time to time to the Chief Executive Officer and senior management, including in relation to credit transactions, market risk limits and expenditure; and
  - (d) approvals of each of the following (except to the extent delegated by the Board from time to time):
    - (i) the operating plan, at least annually;
    - (ii) the Remuneration Policy, including:
      - (a) individual remuneration (including incentive arrangements) for ANZ Board Appointees and ANZ Material Risk Takers, as covered by the Remuneration Policy; and
      - (b) the design of the ANZ Incentive Plan and remuneration structures for Senior Executives and others specifically covered by the Remuneration Policy;
    - (iii) significant changes to organisational structure;
    - (iv) the acquisition, establishment, disposal or cessation of any significant business of ANZ;
    - (v) the issue of any shares, options, equity instruments or other equity securities in ANZ;
    - (vi) where practicable, the substance of any announcements to the Australian Securities Exchange in relation to matters that have been the subject of a decision by the Board or any public statements which reflect significant issues of ANZ policy or strategy; and
    - (vii) any changes to the discretions delegated from the Board.

- 3.2 For the purpose of this Charter, "ANZ Material Risk Takers" means ANZ employees (who are not ANZ Board Appointees) for whom a significant portion of total remuneration is based on performance and whose activities, individually or collectively, may affect ANZ's financial soundness. This covers Senior Executives as determined from time to time by the Risk Committee.

#### **4. Specific Responsibilities**

4.1 The Board has a specific responsibility to:

- (a) oversee and assess management's performance in achieving any strategies and budgets approved by the Board and in monitoring and managing risk;
- (b) set criteria for, and evaluate at least annually, the performance of the Chief Executive Officer;
- (c) review on a regular and continuing basis:
  - (i) executive succession planning (in particular for the Chief Executive Officer); and
  - (ii) executive development activities;
- (d) fulfil its function and duties under ANZ's Fit and Proper Policy;
- (e) oversee the establishment by management of a sound risk management culture with an operational structure and the necessary resources to facilitate effective risk management throughout ANZ, and which in turn supports the ability of ANZ to operate consistently within its risk appetite;
- (f) approve the risk appetite within which management is expected to operate, including ANZ's risk appetite statement and risk management strategy;
- (g) oversee the effectiveness of workplace health and safety in the Group;
- (h) be available to meet with APRA on request;
- (i) review reports from management on progress in relation to actions in ANZ's Self-Assessment roadmap;
- (j) review ANZ's approach to the management of key customer matters, including customer remediation and customer complaints; and
- (k) approve and oversee management's performance in establishing ANZ's cultural direction, including ANZ' purpose, values and expected behaviours.

4.2 In relation to any matter considered by the Board, the Chairman is authorised to consult with other Board Committee Chairs and request management to undertake accountability and consequence reviews as appropriate.

## **5. Board Membership**

- 5.1 The Board shall comprise a majority of Non-Executive Directors who satisfy the criteria for independence as stated in Section 6 below. In addition, a majority of the Directors must be ordinarily resident in Australia.
- 5.2 The Directors shall appoint as chairperson of the Board one of the Non-Executive Directors who satisfy the criteria for independence as stated in Section 6 below.
- 5.3 A majority of Directors present and eligible to vote at all Board meetings must be Non-Executive Directors.

## **6. Independence**

- 6.1 A Director is only to be regarded as independent if:
  - (a) the Board determines that the Director has no material relationship with ANZ (either directly or through close personal ties, or as a partner, shareholder, executive officer or employee of an organisation that has a material relationship with ANZ);
  - (b) the Director is not, and has not been within the previous three years, employed by ANZ or a company in the ANZ Group;
  - (c) the Director is not, and has not been within the previous three years:
    - (i) employed in a professional capacity by, or a partner in, any firm that in the past three years has been ANZ's external auditor; or
    - (ii) employed as an executive officer by a company that has a compensation committee, on which an ANZ executive officer serves or served at the same time;and no immediate family member of the Director is, nor has been within the previous three years, engaged in either of such capacities;
  - (d) no immediate family member of the Director is, nor has been within the previous three years, an ANZ executive officer; and
  - (e) the Director is otherwise independent under the ASX Corporate Governance Principles and Recommendations and APRA Prudential Standard CPS 510 Governance.
- 6.2 For the purpose of this Section 6, "executive officer" of ANZ means the Chief Executive Officer, Chief Financial Officer, other members of the ANZ Group Executive Committee, Group General Counsel, Group General Manager Internal Audit, and Deputy Chief Financial Officer.

## **7. Meetings**

- 7.1 Board meeting papers should be distributed to Directors prior to each meeting in sufficient time to enable Directors to read the papers and properly prepare for the meeting.
- 7.2 Draft minutes of each Board meeting shall be prepared by the Company Secretary promptly following the meeting for review by the Chairman. The

draft minutes shall be tabled at the next applicable Board meeting for final review and approval.

- 7.3 The Non-Executive Directors shall meet regularly for private discussion on matters relating to the oversight of management of ANZ.
- 7.4 A majority of Directors present and eligible to vote at all meetings of the Board shall be Non-Executive Directors.

## **8. Board Committees**

- 8.1 The Board may from time to time establish Committees to assist it in carrying out its responsibilities and shall adopt Charters setting out matters relevant to the composition, responsibilities and administration of such Committees, and other matters that the Board may consider appropriate.
- 8.2 The Board shall as a minimum establish the following Committees and shall adopt Charters setting out matters relevant to the composition, responsibilities and administration of those Committees:
  - (a) an Audit Committee;
  - (b) a Risk Committee;
  - (c) a Human Resources Committee;
  - (d) an Ethics, Environment, Social and Governance Committee;
  - (e) a Digital Business and Technology Committee; and
  - (f) a Nomination and Board Operations Committee.

## **9. Board Renewal, Performance Evaluation and Charter Review**

- 9.1 The Board shall establish a policy and guidelines regarding Board renewal and succession planning, and for assessing the performance of the Board with the aim of maintaining a proactive and effective Board.
- 9.2 The policy and guidelines referred to in Section 9.1 shall set out a framework for the annual performance review of the Board, each Non-Executive Director, and each Board Committee referred to in Section 8.2.
- 9.3 The Board shall review this Charter regularly.

## **10. Relationship with ANZ Bank New Zealand Limited**

- 10.1 The Company has numerous responsibilities covering the entire Group under various forms of regulation and as part of that the Board has certain Group responsibilities. In addition, the Board and Company acknowledge that ANZ Bank New Zealand Limited, of which the Company is the ultimate beneficial shareholder, has its own independence obligations placed upon it by the Reserve Bank of New Zealand.
- 10.2 In the case of any conflict with those separate obligations, the Chairman of the Company is authorised to liaise with ANZ Bank New Zealand Limited and resolve any such issue.