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#### 1. Purpose and Authority

- 1.1 ANZ Group Holdings Limited (**ANZGHL**) is the listed ultimate holding company, and the APRA Level 3 Head, of the ANZ Group.
- 1.2 The ANZ Group is a group of companies, comprising of ANZGHL and its related bodies corporate, and encapsulating both ANZ's banking and non-banking businesses ("**ANZ**" or the "**Group**").
- 1.3 The purpose of this charter (**Charter**) is to set out the authority delegated to the audit committee (**Committee**) of ANZGHL by the ANZGHL board of directors (**Board**) and to set out the roles, responsibilities, and operation of the Committee in relation to the ANZGHL and the Group.
- 1.4 The Committee is established by the Board in accordance with the ANZGHL constitution.
- 1.5 The ANZ Board Committee Standing Rules are incorporated into this Charter. To the extent of any inconsistencies, the terms in this Charter will prevail.
- 1.6 The Committee has the authority and necessary powers to exercise the role and responsibilities set out in this Charter and granted to it under any separate resolutions of the Board from time to time.

#### 2. Role of the Committee

- 2.1 The role of the Committee is to assist the Board by providing oversight of and reviewing the following relating to ANZGHL and the Group:
  - (a) financial reporting principles and policies, controls and procedures;
  - (b) internal control and risk management framework to assist the Board in ensuring its effectiveness;
  - (c) the work of Internal Audit which has a functional reporting line to the Committee through the Chair of the Committee and unfettered access to the Committee. ;
  - (d) the integrity of financial statements and the independent audit thereof, and the Group's compliance with legal and regulatory requirements in this regard;
  - (e) any due diligence procedures;
  - (f) prudential supervision procedures and other regulatory requirements to the extent relating to financial reporting;
  - (g) the appointment, and replacement of ANZGHL's external auditor; and
  - (h) any other matters referred to it by the Board.

#### 3 Responsibilities

- 3.1 To accomplish its role, the Committee is responsible for the following relating to ANZGHL and the Group:

## **External Auditor**

- (a) With respect to the external auditors:
- (i) oversee the selection, evaluation and replacement as necessary of the external auditors;
  - (ii) review and agree the annual audit engagement letter;
  - (iii) review and approve the annual audit plan (including co-ordination with internal audit), seek to ensure it meets regulatory requirements and approve the fees charged for audit and review services;
  - (iv) determine categories of non-audit services that may be provided by the external auditors;
  - (v) provide pre-approval or otherwise of all audit, audit-related and non-audit services that are to be undertaken by the external auditors. Authority to pre-approve may be delegated to the Chair of the Committee and/or provided pursuant to specific pre-approval policies adopted by the Committee;
  - (vi) seek to ensure disclosure to shareholders of the Committee's approval of all non-audit services provided by the external auditors;
  - (vii) review and provide oversight of audit reports prepared and issued by the external auditors on ANZ financial statements and activities, and monitor that concerns are being managed and rectified in an appropriate and timely manner;
  - (viii) consider and review reports prepared by the external auditors on critical accounting policies, all alternative treatments of financial information permitted under Australian equivalents to International Financial Reporting Standards (AIFRS), and all other written communication between the external auditors and management;
  - (ix) resolve any disagreements between the external auditors and management regarding ANZ's financial reporting;
  - (x) discuss with the external auditors any relationship that may impact their objectivity and independence and satisfy itself that the external auditors are independent and that there is no conflict of interest situation that could compromise, or be seen to compromise, such independence;
  - (xi) seek to ensure that the external auditors prepare and deliver an annual and half-yearly statement as to their independence which includes details of all relationships with ANZ;
  - (xii) annually review the effectiveness of the external auditors;
  - (xiii) annually review the independence, fitness and propriety and qualifications of the external auditors including rotation of lead audit partner, and hiring policies for employees and former employees of the external auditors; and
  - (xiv) annually discuss whether the external audit firm or any of its representatives involved in an ANZ audit have been subject to quality review by any regulator.

## **Internal Audit**

- (b) With respect to Internal Audit:
- (i) make recommendations to the Board on the selection and replacement of the Group General Manager, Internal Audit, noting that authority has been delegated to the CEO and Chair of the Board in consultation with the Committee Chair to approve acting appointments to the Group General Manager, Internal Audit role;

- (ii) review and approve the annual Internal Audit plan and seek to ensure it meets regulatory requirements and covers all material risks;
- (iii) approve the annual budget for the Internal Audit function;
- (iv) receive from Internal Audit summaries of significant reports to management prepared by Internal Audit, the management response, and Internal Audit's recommendations, and monitor that issues are being managed and rectified in an appropriate and timely manner;
- (v) review assessments of the effectiveness of internal controls and procedures;
- (vi) review the activities, staffing and organisational structure of the Internal Audit function, including the approval of major proposed outsourcing of any part of the function;
- (vii) review and approve the Internal Audit Charter on an annual basis;
- (viii) review the results of the quality assurance and improvement program as part of the annual assessment of the effectiveness and independence of Internal Audit; and
- (ix) review the performance and remuneration of the Group General Manager, Internal Audit and make recommendations to the Board as appropriate.

### **Financial Reporting**

- (c) With respect to financial reporting:
  - (i) receive from management, Internal Audit and the external auditors a timely analysis of significant financial reporting issues and practices and allow sufficient time to review such analyses;
  - (ii) discuss the audited (half year: reviewed) financial statements, and related regulatory filings, earnings press releases, other financial information being made public, any significant matters arising from the external audit, management judgements and accounting estimates, and significant changes to ANZ's auditing and accounting principles, policies, controls, procedures and practices with management, internal audit and the external auditors, and approve any such matters as necessary (except to the extent such matters must be considered and approved by the Board in order to comply with legal or regulatory requirements, including without limitation matters relating to the half-year and full-year financial reports, directors' declarations and directors' reports, and statements about non-audit services and auditor independence based on advice provided by the Committee);
  - (iii) oversee financial reporting requirements, professional accounting requirements and critical accounting policies and advise the Board of any material new requirements or policies (or any material changes);
  - (iv) consider key accounting and audit judgements;
  - (v) if necessary, obtain explanations from management/the external auditors as to why any audit differences remain unadjusted;
  - (vi) regularly review tax risks and governance;
  - (vii) review the certifications provided by the Chief Executive Officer and the Chief Financial Officer on annual and half-yearly financial reports pursuant to the Corporations Act (and other regulatory requirements as applicable), and review the processes that were used to reach the opinion provided in the certifications;
  - (viii) review the form of opinion that the external auditors propose to render; and

- (ix) where other statements containing financial information require Board approval, the Committee should review such statements wherever practicable in advance of their consideration by the Board, subject always to not compromising the ability to comply with requirements in relation to prompt reporting deadlines).

### **Whistleblowing**

- (d) In conjunction with the Ethics, Environmental, Social & Governance Committee:
  - (i) review the effectiveness of management's process for informing employees of the existence of the Whistleblower Policy and ANZ Code of Conduct, to enable employees to make confidential, anonymous submissions regarding concerns relating to accounting, internal control, compliance, audit and other matters; and
  - (ii) seek to ensure procedures for the receipt, retention and treatment of information submitted confidentially by employees and third parties regarding accounting, internal controls, compliance, auditing or other matters are established and maintained;

### **Due Diligence Procedures**

- (e) With respect to due diligence procedures:
  - (i) seek to ensure the Chair of the Committee or their nominee is a member of any due diligence committee that is established where representation from the Board is required or deemed appropriate;
  - (ii) discuss reports on ANZ prepared for prudential supervisors, other regulators and third parties; and
  - (iii) consider any reports prepared by the external auditors in relation to the above due diligence procedures.

### **Corporate Governance**

- (f) With respect to corporate governance:
  - (i) receive reports from major subsidiary audit committees, on such basis as the Committee determines within ANZ and respond to issues raised as appropriate;
  - (ii) develop and promulgate rules on the employment by ANZ of members of the external audit firm;
  - (iii) seek to ensure that ANZGHL has adopted a Code of Conduct that is applicable to the Chief Financial Officer, Principal Accounting Officer and other senior financial officers; and
  - (iv) review reports of the Financial Governance Programme and consider the impact of any identified control deficiencies on ANZ's external reporting.
- (g) Discuss and review ANZGHL's policies with respect to risk assessment and risk management to the extent necessary to fulfil the Committee's purpose and duties.
- (h) Consider the major findings of any internal investigation into control weaknesses, fraud or misconduct and management's response.
- (i) Advise the Group Human Resources Committee of any financial or non-financial risk outcomes that may warrant consideration by the Group Human Resources Committee in discharging its duties.
- (j) The Committee must be available to meet with APRA on request.

## **4 Committee memberships**

- 4.1 The Board shall appoint one of its members, other than the chair of the Board, to serve as the Committee's chairperson (**Chair**).

- 4.2 In addition to the independence criteria set out in ANZ's Board Renewal, Appointment and Performance Evaluation Policy, the following rules apply to eligibility for membership of the Committee:
- (a) a director who sits on the Committee cannot be an officer or employee of the Group or a substantial shareholder of ANZGHL or receive fees from the Group other than in the capacity as a director of a Group company or member of a committee of the board of a Group company;
  - (b) each member of the Committee must be appropriately financially literate (as such qualification is interpreted by the Board in its business judgment) and members of the Committee must, between them, have the appropriate knowledge, skills and experience (including industry experience) to effectively discharge the Committee's responsibilities;
  - (c) at least one member of the Committee will be a 'financial expert'. A financial expert is a person who has an understanding of financial statements prepared under AIFRS, and experience in preparing, auditing, analysing or evaluating financial statements of companies comparable to ANZGHL, in the application of AIFRS to accounting for estimates, accruals, and reserves, in internal accounting controls and in the functioning of audit committees. However, the duties with respect to financial reporting as set out in this Charter are those of the Committee, and are not the individual responsibility of those members who are considered a "financial expert".
- 4.3 The ANZ Risk Committee Chair will be a member of the Committee (and vice versa) to seek to ensure relevant information flows between these committees.

## 5 Meetings

- 5.1 The Committee will meet at least four times annually and more frequently if it deems necessary.
- 5.2 Representatives of management, Internal Audit, and of the external auditors will be invited to attend part or all of any meeting of the Committee. The Committee may request certain parties to withdraw from any part of the meeting and may request any officer or employee of ANZ or the external auditors to attend a meeting.
- 5.3 The Committee will meet regularly with the external auditors, in the absence of management. The Committee Chair will also meet privately with the external auditors. The Committee will request the external auditors to advise it whether any officer of ANZ has taken any action to improperly influence, coerce, manipulate, obstruct, or mislead any member of the external audit team for the purpose of rendering the financial statements materially misleading.
- 5.4 The Committee will meet regularly with Internal Audit, in the absence of other management. The Committee Chair will also meet privately with the Group General Manager, Internal Audit.
- 5.5 Joint Group Human Resources, Audit Committee and Risk Committee meetings will be held at the end of each financial year to leverage insights from these Committees when considering the Group Scorecard assessment, ANZ Incentive Plan outcomes, and performance and remuneration outcomes for Specified Roles.

No individual executive will be permitted to be present when their individual performance outcomes and/or remuneration is being discussed.