



ANZ Group Human Resources Committee Charter

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1. Purpose

The Human Resources Committee (**Committee**) has been established by the board of ANZ Group Holdings Limited (**ANZGHL**) (**ANZGHL Board**) to perform the people and remuneration responsibilities set out in this Charter in relation to ANZGHL and its subsidiaries (collectively, **ANZ Group**).

ANZ Group entities (other than ANZGHL) regulated by APRA (**Regulated Entities**) have also delegated authority to the Committee to act as the remuneration committee of those entities and the Committee will report to the boards of the Regulated Entities, as well as the ANZGHL Board.

The Committee assists the ANZGHL Board and the boards of the Regulated Entities (**Regulated Entity Boards**) to establish and oversee ANZ Group's people and remuneration frameworks, policies and practices.

For clarity, references to '**Board**' in this Charter refer to the ANZGHL Board and each Regulated Entity Board collectively and individually, unless specified otherwise.

2. Authority

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.

3. Committee composition and procedure

Requirements in relation to the Committee's composition and procedure (including in relation to meetings, performance evaluation and access to information) are set out in the ANZ Board Committees Standing Rules, which form part of this Charter. To the extent of an inconsistency between the Standing Rules and this Charter, this Charter will prevail.

The Committee will seek to ensure some overlap in membership between this Committee and the ANZGHL Board Audit and Risk Committees.

Joint meetings of the Group Board Human Resources, Audit and Risk Committees, together with the ANZBGL Audit and Risk Committees, 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.

4. Access

The Committee will have free and unfettered access to other Board Committees, risk and financial control personnel and other relevant parties (internal and external) to support it in fulfilling its responsibilities.

The Regulated Entity Boards will have free and unfettered access to the Committee.

5. Role

The ANZGHL Board is ultimately responsible for, and actively oversees ANZ Group's Performance and Remuneration Framework (**P&R Framework**) and its effective application throughout the ANZ Group. Each Regulated Entity Board is responsible for the effective application of the P&R Framework in the relevant Regulated Entity and its subsidiaries.

The Committee's role is to assist each Board in its oversight of the effective operation of P&R Framework and other Talent and Culture matters.

6. Responsibilities

The responsibilities of the Committee are set out below.

6.1. P&R Framework

- Overseeing the design, effective operation, implementation and monitoring of the P&R Framework, including but not limited to the approach to performance management, fixed and variable remuneration, and accountability and consequence management.
- Seeking to ensure that the P&R Framework:
 - aligns with the ANZ Group's business plan, strategic objectives, and risk management framework;
 - promotes effective management of both financial and non-financial risks, sustainable performance and the long-term soundness¹ of ANZGHL and the Regulated Entities; and
 - supports the prevention and mitigation of conduct risk within the ANZ Group.
- Ensuring that the following reviews of the P&R Framework are conducted in line with applicable requirements, reviewing the findings and making recommendations for changes to the Board, where appropriate:
 - Compliance review – conducted annually; and
 - Effectiveness review – conducted at least every three years, and at any time the Committee considers necessary where a material change to the size, business mix and complexity of the operations is identified.
- Assisting the Board in seeking to ensure that the P&R Framework and other relevant talent and culture strategies, policies, and practices of the ANZ Group:
 - meet applicable governance, legal and compliance requirements (including APRA Prudential Standards);
 - are implemented in such a way as to mitigate risk in line with the Group's Risk Management Strategy;
 - are monitored and reviewed regularly for their appropriateness and effectiveness; and
 - are applied fairly and consistently with ANZ's other policies throughout the ANZ Group.
- Overseeing the development and maintenance of an ANZ Group risk management and controls framework to minimise the risks associated with determining, managing, and communicating executive and employee remuneration.

6.2. Remuneration policy

- Overseeing the design, effective operation and monitoring of the ANZ Group Performance and Remuneration Policy and recommending the Policy and any changes to the ANZGHL Board.
- Reviewing and making recommendations to the ANZGHL Board and ANZ Banking Group Limited (**ANZBGL**) Board for the approval of the ANZBGL Performance and Remuneration Policy and any amendments to the Policy.
- Reviewing and making recommendations to the ANZGHL Board in relation to any other remuneration policies that may apply from time to time.

¹ and for a registrable superannuation entity (**RSE**) licensee, promotes performing its duties and exercising its powers in the best financial interests of beneficiaries.

- Reviewing and making recommendations to the ANZGHL Board for the endorsement of the ANZ NZ Performance and Remuneration Policy (which applies to the New Zealand geography) and any amendments to the Policy.²

6.3. Non-Executive Director remuneration

- Regularly consider and approve (where appropriate) remuneration arrangements for Non-Executive Directors (**NEDs**) of the ANZ Group in compliance with relevant laws, regulations, standards, corporate governance principles and competitive practice, including base fees and superannuation arrangements.
- Recommending any changes to the ANZGHL NED fee pool to ANZGHL shareholders for approval.

6.4. Appointment of Specified Roles and other Direct Reports to the CEO

- Considering and making recommendations to the Board on the appointment (including key employment contract terms and conditions such as remuneration) and termination of Senior Managers.^{3,4,5}
- Considering and approving the appointment and termination of all other direct reports (non-administrative) to the Chief Executive Officer (**CEO**).
- Reviewing and approving the “Fit and Proper” assessments of Senior Managers for ANZGHL and ANZBGL and other direct reports (non-administrative) to the CEO.⁶
- Establishing and maintaining a process for setting and evaluating appropriate performance measures for Senior Managers of the ANZ Group.
- Overseeing succession plans for Enterprise Business Critical Roles, including making recommendations to the ANZGHL and ANZBGL Boards on succession matters relating to the CEO.

6.5. Executive and employee remuneration arrangements

- Reviewing and making recommendations to the ANZGHL Board for the approval (or in the case of ANZ NZ, endorsement) of:
 - the design and funding of ANZ Group’s variable remuneration arrangements, including the ANZ Incentive Plan (**ANZIP**), Long Term Variable Remuneration and the CEO’s Short Term Variable Remuneration; and
 - ANZ Group’s remuneration structure and terms for all persons specifically covered under the ANZ Group Performance and Remuneration Policy and the ANZ NZ Performance and Remuneration Policy.
- Reviewing, at least annually, and making recommendations to the ANZBGL and ANZGHL Boards as appropriate on, the remuneration arrangements and outcomes (including performance measures and assessment, and fixed and variable remuneration outcomes) for Specified Roles:
 - ANZGHL and ANZBGL Senior Managers (individually, including any application of downward adjustment);

² The ANZ NZ Performance and Remuneration Policy is recommended to the Board of ANZ Bank New Zealand Limited (**ANZ NZ Board**) by the ANZ NZ HR Committee and recommended to the ANZGHL Board by this Committee for endorsement to seek to ensure compliance with APRA’s Prudential Standards.

³ The terms and conditions of the GE & CEO NZ’s employment and decisions relating to their employment, remuneration arrangements and outcomes or termination will be approved by the ANZ NZ Board in consultation with, and endorsement by, the ANZGHL Board, consistent with their respective regulatory obligations.

⁴ Consultation will also occur with the ANZGHL Board Risk Committee Chair on the Chief Risk Officer role, and the Audit Committee Chair on the GGM Internal Audit role.

⁵ Note that authority has been delegated from the Board to the CEO and Chairman of the ANZGHL Board to approve acting appointments to Senior Manager roles.

⁶ Authority has been delegated from the Board to the CEO and Chairman of the ANZGHL Board to approve the interim and full “Fit and Proper” assessments of persons acting in these roles.

- ANZGHL and ANZBGL Material Risk Taker (**MRT**) roles (cohort basis, noting that fixed and variable remuneration outcomes, including any application of downward adjustment, will be reviewed individually by the Committee); and
- ANZBGL risk and financial control roles (cohort basis).
- Reviewing and approving individual fixed and variable remuneration outcomes (including any application of downward adjustment) for:
 - other direct reports (non-administrative) to the CEO; and
 - any other individual's variable remuneration outcomes at or above certain thresholds stipulated by ANZGHL from time to time.
- Reviewing and approving all Hong Kong branch Senior Management and Key Personnel Special Reward Arrangements⁷ as required by the Hong Kong Monetary Authority.
- The Committee, in forming any recommendations regarding remuneration, will have:
 - obtained sufficient information, including from the Board Risk Committee and Chief Risk Officer (CRO), to determine that remuneration outcomes are commensurate with performance and risk outcomes; and
 - Determined whether the variable remuneration arrangements for each relevant individual and cohort is appropriate to meet its intended purpose and expected remuneration outcomes and supports ANZ Group's prudential obligations.

6.6. Equity and other incentive plans

- Overseeing the operation of employee equity arrangements.
- Approving the design of employee equity plans, the making of offers, interpretations of and changes to plan rules, and the approach for determining allocation, expensing and disclosure values.

6.7. Talent & culture

- Reviewing and, where appropriate, approving, relevant talent & culture strategies, policies and practices.
- Reviewing and, where appropriate, approving, matters relating to employee engagement and culture, including the strategies and actions to measure, monitor and continue to evolve organisational culture across the ANZ Group.
- Overseeing Code of Conduct themes and trends and making recommendations to the Board to address any identified systemic issues identified across the ANZ Group.
- Overseeing that policies, systems and frameworks are in place across the ANZ Group:
 - for the prevention of and response to sexual harassment;
 - to collect, analyse and use data to effectively manage the risks related to sexual harassment; and
 - regular review of such policies to ensure they remain appropriate.
- Overseeing the approach to diversity and inclusion across the ANZ Group, including review, approval and disclosure of the diversity and inclusion policy, the measurable annual objectives for achieving diversity and inclusion (including gender) and progress towards achieving them.

6.8. Accountability

- Reviewing regular reporting on ANZ's Banking Executive Accountability Regime (**BEAR**) framework, including the BEAR Breach Policy, and approving any recommendations from management in relation to the BEAR framework and BEAR Breach Policy.

⁷ **Special Reward Arrangement** means remuneration arrangements such as: "buyout" of forfeited deferred remuneration, bonus opportunity foregone, conditional performance payment, and conditional retention award.

- Overseeing the Enterprise Accountability Group (**EAG**) in carrying out its responsibilities under its charter and approving any recommendations from EAG in relation to the accountability and consequence framework.⁸
- The Committee Chair is authorised to consult with other Board Committee Chairs and request management to undertake accountability reviews on any matter, and to approve changes to the EAG Charter.

6.9. Engagement of advisers

- Where ANZGHL or ANZBGL engages a remuneration consultant for the purpose of providing a specific remuneration recommendation for Key Management Personnel (**KMP**):
 - ensuring their appointment is approved by a NED of ANZGHL or ANZBGL (as relevant) before the work commences (typically the Committee Chair); and
 - ensuring the consultant’s remuneration recommendations are provided directly to a NED of ANZGHL or ANZBGL (as relevant), and not to management.
- If choosing to engage third-party experts, the Committee has the power to do so in a manner that ensures that the engagement, including any advice received, is independent.

6.10. Other

- Monitoring for effectiveness and where appropriate, approving, matters relating to:
 - employee superannuation and/or pension arrangements across the ANZ Group;
 - development of a stakeholder engagement strategy for shareholder and regulator communication in relation to remuneration issues; and
 - compliance with regulatory, legal and any continuous disclosure requirements, including the preparation of the Remuneration Report, APS 330 Remuneration Disclosures and other required disclosures.
- Overseeing the ongoing and effective compliance with industry led, remuneration related reforms from time to time, including reviewing the results of any independent reviews, considering relevant recommendations and consider whether any further actions are required to address the reviews and recommendations.

7. Role Definitions

- **“Enterprise Business Critical Roles”** for the purposes of succession planning; means all Group Executive Committee (**ExCo**) roles and roles that may pose a significant risk to the continuity and/or reputation of ANZGHL or ANZBGL if vacant.
- **“Key Management Personnel (KMP)”** means Directors of ANZGHL or ANZBGL (as applicable, whether executive directors or otherwise), and those personnel with a key responsibility for the strategic direction and management of the ANZ Group (i.e., members of the ExCo) who report directly to the CEO.
- **“Material Risk Taker (MRT)”** means an ANZ Group employee whose activities have a material potential impact on ANZGHL’s or ANZBGL’s risk profile, performance, and long-term soundness, as determined by the Board Risk Committee from time to time.
- **“Risk and financial control personnel”** means all risk personnel reporting up to the ANZ Group CRO, all finance personnel reporting up to the ANZ Group CFO (excluding Procurement and Property) and all Internal Audit personnel reporting up to the GGM Internal Audit.
- **“Specified Roles”** means a person who is a senior manager, executive director, material-risk taker (including highly-paid material risk-takers) and/or in a risk and financial control personnel role.
- **“Senior Manager”** means all BEAR Accountable Persons (**AP**) that are ANZ Group employees, plus any ExCo member that is not classified as a BEAR AP.

⁸ The accountability and consequence framework outlines the Committee’s expectations of management in determining the appropriate level and timing of risk-related adjustments to variable remuneration outcomes, including for persons in specified roles.