

2018 **CORPORATE**
GOVERNANCE STATEMENT

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APPROACH TO GOVERNANCE

ANZ's strong governance framework provides a solid structure for effective and responsible decision making at ANZ.

1. OVERVIEW OF ANZ'S APPROACH TO GOVERNANCE

ANZ's strong governance framework provides a solid structure for effective and responsible decision making at ANZ.

BOARD COMPOSITION

- ANZ's Board is comprised of eight Non-Executive, independent Directors (including an independent Chair, David Gonski, AC), and one Executive Director — ANZ's Chief Executive Officer (CEO), Shayne Elliott.
- Three of ANZ's Directors are female and six 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 and in the 2018 Annual Report.

GOVERNANCE FRAMEWORK THAT ASSISTS THE BOARD TO MAKE TRANSPARENT AND RESPONSIBLE DECISIONS

- Under ANZ's Constitution, the Board may delegate any of its powers to Committees of the Board. ANZ has five principal Board Committees — the Audit Committee (chaired by Paula Dwyer), the Ethics, Environment, Social and Governance (EESG) Committee (chaired by David Gonski, AC), the Risk Committee (chaired by Graeme Liebelt), the Human Resources Committee (chaired by Ilana Atlas) and the Digital Business and Technology Committee (chaired by Lee Hsien Yang). Each Committee has its own Charter setting out its roles and responsibilities.
- 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. ANZ has a delegations of authority framework that clearly outlines those matters delegated to the CEO and other members of senior management.
- ANZ also has a number of formally established management committees that deal with particular sets of ongoing issues. They operate in accordance with Group Guidelines that define their decision making authority.

WEBSITE

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

- the charters of the Board and each Board Committee;
- summaries of many of the documents and policies mentioned in this Statement; and
- summaries of other ANZ policies of interest to shareholders and stakeholders.

COMPLIANCE WITH ASX GOVERNANCE RECOMMENDATIONS

ANZ confirms it has followed the Recommendations of the ASX Corporate Governance Council throughout the 2018 financial year. The information in this Statement is current as at 30 October 2018 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.

2. BOARD AREAS OF FOCUS

This year the Board and its Committees have undertaken key strategic, governance and oversight activities, including:

STRATEGY

- Participating in Strategy Day with CEO and Executive Committee, reviewing global trends in banking
- Discussing with the CEO regular updates on ANZ's strategic priority of creating a simpler, better balanced bank
- Discussing ongoing updates and progress on business simplification, such as product, process and technology simplification
- Providing oversight of the implementation of New Ways of Working (NWOW) within Australia and TSO and Group Centre divisions, including reviewing the lessons learnt at other organisations that have adopted similar methodologies; reviewing reports, including external reports, in relation to the risk assessment of the NWOW operating model and the impact of NWOW on ANZ's risk management framework
- Assessing the impact of, and ANZ's preparedness for, major technology developments such as the New Payments Platform and Open Banking
- Focusing on reviewing the management of Technology Risk at ANZ

IMPROVING CUSTOMER OUTCOMES

- Providing oversight of ANZ's approach to customer satisfaction, including adoption of Net Promoter System and customer complaint resolution with regular discussion in relation to the key trends, themes and issues in particular divisions
- Providing oversight of customer remediation activities
- Discussing reports on key matters affecting customers, including in relation to the new Banking Code of Practice and ANZ's proposed implementation of it and ANZ's approach to:
 - adopting the Sedgwick recommendations;
 - supporting vulnerable customers; and
 - product suitability for customers.
- Discussing ANZ's research into financial wellbeing and the way this is informing activities across ANZ for customers, communities and employees





PURPOSE AND VALUES-LED TRANSFORMATION

- Renaming of the Environment, Sustainability and Governance Committee to be the Ethics, Environment, Social and Governance Committee, providing management with a further vehicle to raise ethical and conduct issues for broader discussion with Directors
- Discussing with the CEO regular updates in relation to ANZ's strategic priority of driving a purpose and values-led transformation of the Bank to build trust and improve our employee and customer propositions
- Providing oversight of the development of ANZ's ethical decision making framework
- Providing a continued focus on the oversight of ANZ's corporate culture, including reviewing results and key themes of ANZ's culture audits and ANZ's staff engagement survey and following up key issues raised within those reports

FINANCIAL

- Reviewing and approving ANZ's operating and funding plans
- Providing oversight of capital management initiatives, including the commencement, and subsequent increase in size of, ANZ's on-market share buy-back
- Providing oversight of ANZ's approach to the implementation of key accounting initiatives, including the implementation of Australian Accounting Standard AASB 9: Financial Instruments, and making key accounting judgements, including in relation to software assets amortisation, restructuring and remediation provisioning

REGULATORY

- Providing oversight of ANZ's approach to preventing financial crime, including participating in an internal conference for financial crime professionals and meeting with AUSTRAC to discuss ANZ's approach
- Providing oversight of ANZ's preparedness for the implementation of the Banking Executive Accountability Regime, including approving changes in relation to ANZ's remuneration policy
- Following the announcement of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, meeting regularly to discuss matters pertaining to it, including oversight of the approach to the remediation of matters raised at the Commission

In addition to regular meetings of the Board in Melbourne and Sydney, the Board also met in the Australian Capital Territory and New Zealand and have participated in a number of customer and employee facing events. The Board will also have meetings in regional New South Wales and Western Australia during the remainder of the 2018 calendar year, with a focus on customer and employee engagement.

BOARD OF DIRECTORS



From left to right: RT Hon Sir John Key, GNZM AC – Independent Non-Executive Director, John Macfarlane – Independent Non-Executive Director, Paula Dwyer – Independent Non-Executive Director, David Gonski, AC – Chairman, Independent Non-Executive Director, Graeme Liebelt – Independent Non-Executive Director, Ilana Atlas – Independent Non-Executive Director, Shayne Elliott – Chief Executive Officer, Executive Director, Jane Halton, AO PSM – Independent Non-Executive Director, Lee Hsien Yang – Independent Non-Executive Director

Full biography details can be found on our website at anz.com/directors.

CORPORATE GOVERNANCE FRAMEWORK



3. THE BOARD

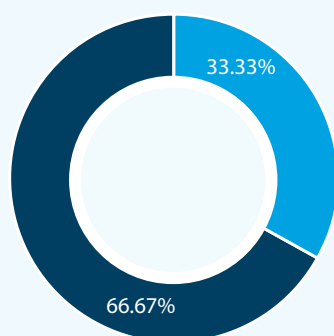
3.1 MEMBERS OF THE BOARD

The roles of the Chairman and CEO are separate. David Gonski, AC has been Chairman since May 2014. David previously served as 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.

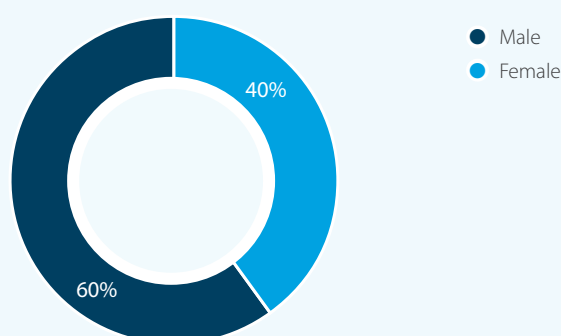
The name of each ANZ Director, together with their appointment information, is set out below.

Directors	Appointed to the Board	Last election/re-election date
David Gonski, AC	2014	2017
Shayne Elliott (CEO)	2016	N/A
Ilana Atlas	2014	2017
Paula Dwyer	2012	2015 – will seek re-election at the 2018 AGM
Jane Halton, AO PSM	2016	2016
Rt Hon Sir John Key, GNZM AC	2018	Will seek election at the 2018 AGM
Lee Hsien Yang	2009	2015 – scheduled to retire at the 2018 AGM
Graeme Liebelt	2013	2016
John Macfarlane	2014	2017

Board Gender Diversity



Board Committee Chair Gender Diversity



3.2 ROLE OF THE BOARD










The Board is responsible for the oversight of ANZ and its sound and prudent management, with specific duties as set out in its Charter.



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

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.

	Principal Board Committees										Other Standing Committees							
																		
	Board		Risk Committee		Audit Committee		Human Resources Committee		Ethics, Environment, Social and Governance Committee		Digital Business and Technology Committee		Special Committee of the Board ¹		Committee of the Board ¹		Shares Committee ¹	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Ilana Atlas	12	12			8	8	8	8	4	4			1	1	2	2	1	1
Paula Dwyer	12	12	8	8	8	8	8	8							2	2		
Shayne Elliott	12	12											1	1	4	4	3	3
David Gonski, AC	12	12	8	8	8	8	8	8	4	4	4	4	1	1	4	4	3	3
Jane Halton, AO PSM	12	12					8	8	4	4	3	3	1	1	1	1		
Sir John Key, GNZM AC	6	6	3	3					2	2								
Lee Hsien Yang	12	12	8	8			8	8			4	4	1	1				
Graeme Liebelt	12	12	8	8	8	8	8	8	1	1	1	1	1	1	2	2	1	1
John Macfarlane	12	12	8	8	8	8					4	4	1	1	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 is an ex-officio member of the Risk, Audit, Human Resources, Ethics, Environment, Social and Governance and Digital Business and Technology Committees.

With respect to Committee meetings, the table above 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, Shares Committee and Committee of the Board as referred to in the table above include those conducted by written resolution.

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.

ExCo generally meets each month and is responsible for delivering on 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
- Tough choices in prioritising 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 and has clearly defined decision-making authority.

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. In assessing potential candidates and in undertaking an annual review of the size and composition of the Board, the EESG Committee takes the following factors into account:

- relevant guidelines/legislative requirements in relation to Board composition;
- a gap-analysis against the guiding principle to be considered in connection with Board composition (below);
- Board membership requirements as articulated in the Board Charter; and
- other considerations including ANZ's strategic goals.

The guiding principle is 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 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.

THE EESG 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.

3.6 BOARD SKILLS AND EXPERIENCE

The table below sets out the key skills that the ANZ Board is looking to have in its membership, together with details of those skills that each Director brings to the ANZ Board.

Skills that the Board is looking to achieve in its membership	David Gonski, AC	Shayne Elliott	Ilana Atlas	Paula Dwyer	Jane Halton, AO, PSM	Lee Hsien Yang	Rt Hon Sir John Key, GNZM AC	Graeme Liebelt	John Macfarlane
Banking and/or Financial Services (experience outside ANZ in significant components of the banking or financial services industry)	✓	✓	✓	✓	✓	✓	✓		✓
Technology (experience in enterprises having a major technology, technology related innovation or digital focus)					✓	✓			
Leadership role in organisations of significant size including experience in workplace culture and/or remuneration	✓	✓	✓	✓	✓	✓	✓	✓	✓
Risk Management and/or Compliance (including but not limited to financial risk management, risk management frameworks and non-financial risks such as operational, compliance, conduct and cyber security)	✓	✓	✓	✓	✓			✓	✓
Regulatory/ Government Policy (experience in relation to regulation/ government policy matters)	✓		✓	✓	✓	✓	✓		✓
International business experience	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial acumen (good understanding of financial statements relating to businesses of significant size, including ability to probe the adequacies of financial and related risk controls)	✓	✓	✓	✓	✓	✓	✓	✓	✓
NED experience in major listed companies (Australian or overseas)	✓		✓	✓		✓	✓	✓	

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 EESG Committee annually against the ASX Governance Principles, the APRA Prudential Standards, and the US director independence requirements.

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

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 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' biographies as set out in the Directors' Report (in the 2018 Annual Report) and located on ANZ's website at (anz.com/directors) highlight their major associations outside ANZ.

DURING THE 2018 FINANCIAL YEAR, THE BOARD REVIEWED EACH NON-EXECUTIVE DIRECTOR'S INDEPENDENCE AND CONCLUDED THAT EACH NON-EXECUTIVE DIRECTOR IS INDEPENDENT.

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.

3.9 OUTSIDE COMMITMENTS OF NON-EXECUTIVE DIRECTORS

All Non-Executive Directors are required 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 — if applicable, the Chairman also considers the issue of more than one Director serving on the same outside board or other body.

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.

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.

4. PERFORMANCE EVALUATIONS

ANZ conducts annual performance evaluations — of strengths, weaknesses and overall effectiveness — of each Non-Executive Director, the Chairman of the Board, the Board and the Board Committees.

Details of the usual 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.

4.1 NON-EXECUTIVE DIRECTORS

For the evaluation of Non-Executive Directors, the Chairman usually has a one-on-one meeting with the Non-Executive Director addressing specified performance criteria, including compliance with the Non-Executive Directors' Code of Conduct.

4.2 CHAIRMAN OF THE BOARD

ANZ's longest serving Non-Executive Director facilitates the evaluation of the performance of the Chairman. This involves seeking input from each Director about the performance of the Chairman of the Board against the competencies required for the Chairman's role as approved by the Board.

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 internal evaluation of the Board is conducted in each year in between the external evaluations. It is based on input from each Director and each member of ExCo. It considers progress against any recommendations implemented in light of the most recent externally facilitated evaluation, together with any new issues that may have arisen.

4.4 BOARD COMMITTEES

Each of the principal Board Committees usually conducts an annual self-assessment to evaluate the Committee's performance using Guidelines approved by the ESG Committee.

The self-assessments involve feedback from Directors and those members of management that regularly attend meetings of the Committee.

4.5 SENIOR EXECUTIVES

The Remuneration Report in the 2018 Annual Report sets out how the Board evaluates the performance of the CEO and other key senior executives, including how we assess Risk and Process, Financial and Discipline, Customer, and People and Reputation measures.

Relevant senior executive evaluations have been undertaken in respect of the 2018 financial year in accordance with this process.

4.6 2018 EVALUATION PROCESSES UNDERTAKEN

As at the time of this report, the 2018 financial year evaluation of the Chairman, Non-Executive Directors, the Board and Board Committees had commenced.

For the 2018 financial year, these evaluations are being conducted with external assistance and will focus on the work carried out in relation to the self-assessment of governance, culture and accountability at ANZ requested by APRA.

5. OTHER INFORMATION

5.1 APPOINTMENT DOCUMENTATION

Each new Non-Executive Director receives an appointment letter with a:

- Directors' Handbook — the handbook includes information on a broad range of matters relating to the role of a Director, including information about all applicable policies; and
- Director's Deed — each Director signs a Deed, currently in the form approved by shareholders at the 2005 Annual General Meeting.

The Deed covers a number of issues including indemnity, directors' and officers' liability insurance, the right to obtain independent advice, confidentiality requirements and access to information.

Each current Non-Executive Director received a letter at the commencement of their term which sets out the terms of their appointment.

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

5.2 FIT AND PROPER PERSON CHECKS AND BEAR SUITABILITY

ANZ has a robust senior management recruitment framework that ensures 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 lead 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 lead 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 2018 financial year, Annual Fit and Proper assessments were carried out for each Non-Executive Director, the CEO, key senior executives and the External Auditor.

The policy also sets out how the Board and HR Committee assesses whether ANZ's Accountable Persons are suitable to act in that capacity pursuant to the requirements of the Banking Executive Accountability Regime (BEAR).

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

5.3 INDUCTION TRAINING FOR DIRECTORS

Every new Director takes part in a formal induction program which involves them receiving information about: ANZ's values and culture; the governance framework; the Non-Executive Directors' Code of Conduct; Director related policies; Board and Committee policies, processes and key issues; financial management; and business operations. Directors are also briefed by senior management about matters concerning their areas of responsibility.

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, 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. Each Non-Executive Director is in compliance with this 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 2018 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. In addition to their formal induction program, Directors also receive regular bulletins designed to keep them abreast of matters relating to their duties and responsibilities as Directors.

Each Committee also conducts its own continuing education sessions as appropriate. 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 three Company Secretaries. Profiles of ANZ's Company Secretaries can be found in the Directors' Report (in the 2018 Annual Report).

One of them is the Group General Counsel, Bob Santamaria. He provides legal advice to the Board and is responsible for the legal function. 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 EESG Committee and the Company Secretary to develop and maintain ANZ's corporate governance principles. He is responsible to the Board for the Company Secretary's Office function.

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, 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 EESG Committee and the Group General Counsel to develop and maintain ANZ's corporate governance principles.

John Priestley's role is as a Senior Legal Advisor and he has no day to day role in the Company Secretary's Office function. However, he remains a Company Secretary of ANZ.

THE COMPANY SECRETARY IS ACCOUNTABLE DIRECTLY TO THE BOARD, THROUGH THE CHAIR, ON ALL MATTERS TO DO WITH THE PROPER FUNCTIONING OF THE BOARD.

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. 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 attend any meeting of any Committee.

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;
- any due diligence procedures;
- 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 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 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 2018:

- 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:

- identifying and recommending prospective Board members and ensuring appropriate succession planning for the position of Chairman — see Section 3.5 of this Statement;
- ensuring there is a robust and effective process for evaluating the performance of the Board, Board Committees and Non-Executive Directors including the Chairman of the Board — see Section 4 of this Statement;
- monitoring the effectiveness of ANZ's approach to Board diversity and reviewing and approving measurable objectives for achieving gender diversity on the Board — see Section 13 of this Statement;
- ensuring an appropriate Board and Board Committee structure is in place;
- reviewing and approving the Charters of each Board Committee except its own, which the Board reviews and approves;
- ensuring that an appropriate set of corporate governance principles/ arrangements are developed and maintained for application across ANZ;
- approving corporate sustainability objectives for ANZ and reviewing its progress in achieving them; and
- advising management on relevant sustainability issues, and reviewing minutes from management committees regarding sustainability issues.

The Group General Counsel is the executive responsible for assisting the Chair of the EESG Committee with the administration and efficient 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 senior executive succession.

The Committee is responsible for reviewing and making recommendations to the Board on:

- remuneration matters relating to the CEO — details are in the Remuneration Report in the 2018 Annual Report;
- remuneration matters, including incentive arrangements, for other ANZ Board Appointees — other than the Group General Manager, Internal Audit and ANZ Material Risk Takers;
- the design of executive remuneration structures and significant incentive plans; and
- the Group's Remuneration Policy.

In addition, the Committee:


- considers and approves the appointment of Board Appointees — other than the Chief Risk Officer and Group General Manager, Internal Audit which are addressed separately by the Risk and Audit Committees respectively;
- considers and approves senior executive succession plans — and makes recommendations to the Board on such matters relating to the CEO; and
- monitors cultural alignment with ANZ Strategy and Values, employee engagement and diversity and inclusion programs — excluding Board diversity which is monitored by the EESG Committee.

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

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


ANZ BOARD COMMITTEE MEMBERSHIPS

AS AT 30 OCTOBER 2018

	 Audit
David Gonski, AC*	✓
Ilana Atlas	✓
Paula Dwyer	✓ _{C, FE}
Jane Halton, AO PSM	
Sir John Key, GNZM AC	
Lee Hsien Yang	
Graeme Liebelt	✓
John Macfarlane	✓

- The Board appoints one of its members, other than the Chairman of the Board, to serve as the Committee's Chair
- The Risk Committee Chair is to be a member of the Audit Committee and vice versa to ensure relevant information flows between these committees
- Additional eligibility for membership rules apply as set out in clause 6.2 of the Audit Committee Charter

- 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

 Ethics, Environment, Social and Governance	 Human Resources	 Risk	 Digital Business and Technology
Membership			
✓ _C	✓	✓	✓
✓	✓ _C		
	✓	✓	
✓	✓		✓
✓		✓	
	✓	✓	✓ _C
	✓	✓ _C	
		✓	✓
Composition			
<ul style="list-style-type: none"> The Board appoints one member of the Committee as its Chair 	<ul style="list-style-type: none"> The Board appoints one member of the Committee as its Chair Committee membership is to ensure some overlap in membership between the Risk and Human Resources Committees 	<ul style="list-style-type: none"> The Board appoints one of its members, other than the Chairman of the Board, to serve the Committee's Chair Committee membership is to ensure some overlap in membership between the Risk and Human Resources Committees The Audit Committee Chair is to be a member of the Risk Committee and vice versa to ensure relevant information flows between these committees 	<ul style="list-style-type: none"> The Board appoints one member of the Committee as its Chair

_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, 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 administration and efficient operation of the Committee.

RISK MANAGEMENT FRAMEWORK

We have 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. This review was conducted during the 2018 financial year.

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, and technology-related innovation 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 and technology-related innovation strategies;
- monitoring the delivery of the key programs that form part of ANZ's digital transformation, technology and technology-related innovation 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 Digital Business and Technology Committee uses the ANZ International Technology and Digital Business Advisory Panel experts to assist the Committee with such matters as may be determined from time to time. The Panel attends each meeting of the Committee, including a private session.

The Group Executive, Digital Banking is responsible for assisting the Chair of the Committee with the administration and efficient operation of the Committee.

7.7 ADDITIONAL COMMITTEES

In addition to the five 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 and Divisional 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 seven 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 seventeen locations.

IA operates to the 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 a quarterly report to the Audit Committee. The report summarises: 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 reports 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. Under the Stakeholder Engagement Model, the Audit Committee is responsible for appointing (subject to ratification by shareholders) and also compensating, retaining and overseeing the External Auditor.

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 specific pre-approval policies adopted 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

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 2018 financial year is set out in the Directors' Report in the 2018 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. In addition, the auditor has provided an independence declaration under Section 307C 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.

ANZ maintains a financial reporting governance framework that evaluates the design of, and tests the operational effectiveness of, key financial reporting controls. In addition, Senior Management — including senior finance executives — complete half-yearly certifications. These certifications comprise representations and questions about financial results, disclosures, processes and control. They are aligned with ANZ's external obligations.

Any material issues arising from the evaluation and testing are reported to the Audit Committee.

9. ETHICAL AND RESPONSIBLE DECISION - MAKING

9.1 CODES OF CONDUCT

ANZ has two main 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 whenever they are identifiable as representatives of ANZ.

The principles underlying the Codes are:

- we are ethical and professional;
- we act with integrity;
- we treat all people with respect and dignity;
- we manage conflicts of interest;
- we protect privacy and confidentiality;
- we comply with our Codes, the law and ANZ's policies and procedures; and
- we call out unacceptable behavior and stand up for what is right.

The Codes are supported by the following detailed policies that together form ANZ's Conduct Policy Framework:

- ANZ Anti-Money Laundering and Counter-Terrorism Financing Policy;
- ANZ Use of Systems, Equipment and Information Policy;
- ANZ Information Security Policy;
- ANZ Fraud Policy;
- ANZ Expenses, Travel and Entertainment Policy;
- ANZ Equal Opportunity, Bullying and Harassment Policy;
- ANZ Health and Safety Policy;
- Conflict of Interest Policy;
- Trading in ANZ Securities Policy;
- Trading in Non-ANZ Securities Policy;
- ANZ Reputation Risk Policy;
- ANZ Anti-Bribery and Anti-Corruption Policy; and
- ANZ Whistleblower Policy.

To support the Employee Code, ANZ's Performance Improvement and Unacceptable Behaviour Policy sets out:

- the principles ANZ will apply in determining whether an employee has met its standards of performance, behaviour and compliance; and
- if there is a breach, the consequences that should be applied.

Under this Policy and the Global Performance Management Framework, any breach of the Employee Code that leads to a formal consequence being applied to an employee (for example, a warning) is recorded and taken into account in that employee's performance ratings and remuneration outcomes.

Directors' compliance with the Non-Executive Directors Code forms part of their annual performance review.

The Codes are available on ANZ's website at anz.com/corporategovernance.

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.

9.3 WHISTLEBLOWER PROTECTION

The Whistleblower Policy has been developed to ensure that all employees, contractors and external auditors can freely and without fear of repercussions raise concerns regarding actual or suspected contraventions of ethical and legal standards, and to encourage the disclosure of 'reportable conduct.'

This includes conduct that is any one or more of the following: unethical & unprofessional behavior, issues of honesty & integrity, conflicts of interest, breaches of privacy & confidentiality, unsafe work practices, potential breaches of human rights standards, or practices or behaviours relating to general compliance with policies, procedures and the law.

It requires ANZ to protect people who make a disclosure of reportable conduct from being victimized or otherwise disadvantaged as a consequence.

A whistleblower may make a disclosure under the Policy to their Line Manager, a designated Whistleblower Protection Officer, or through an independently managed Whistleblower Hotline.

ANZ ENCOURAGES SHAREHOLDERS TO TAKE AN ACTIVE INTEREST IN ANZ, AND SEEKS TO PROVIDE SHAREHOLDERS WITH QUALITY INFORMATION IN A TIMELY FASHION.

10. COMMITMENT TO SHAREHOLDERS



Shareholders are the owners of ANZ and the approach described below is reflected in the Shareholder Communication and Shareholder Meetings document, which is located on ANZ's website at : anz.com/corporategovernance

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, the Annual Review, announcements and briefings to the market, half yearly newsletters and through our dedicated shareholder site anz.com.

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 2018 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 2018 Annual Report and on ANZ's website at: anz.com/shareholder.

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

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. After the meeting, they are available to meet with, and answer questions from, shareholders.

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. If a vote is taken on 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 the ASX and posted on ANZ's website at : anz.com/shareholder

ANZ's Notice of 2017 Annual General Meeting contained all material information in its possession relevant to the election of the Directors who stood for election, or re-election, at that AGM.

11. CONTINUOUS DISCLOSURE

ANZ's practice is to release market sensitive information:

- to ASX immediately as required under the ASX Listing Rules;
- then to all relevant overseas securities exchanges on which ANZ's securities are listed; and
- then to the market and community generally through ANZ's media releases, website and other appropriate channels.

Designated Disclosure Officers 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.

A summary of ANZ's Continuous Disclosure Policy is available on ANZ's website at 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 the Annual Review, ANZ's Principal Risks and Uncertainties and in the Annual Report, which are available on ANZ's website at 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, to innovate and to make better decisions for our business.

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



A summary of ANZ's policy position on Diversity and Inclusion is on ANZ's website at: 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 broader diversity and gender balance. The Committee's role includes annually reviewing progress against our diversity and inclusion goals and targets (including progress towards achieving gender equality), other diversity priorities and succession planning. However, gender diversity matters in connection with the Board are the responsibility of the EESG Committee.

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

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

ExCo sets annual CEO and Group targets for improving the representation of Women in Management, and for creating a vibrant, diverse and inclusive workforce. Progress on the percentage of Women in Leadership is monitored on a monthly basis. The results inform ANZ's bonus pool and performance outcomes.

13.3 ANZ'S PROGRESS

Diversity and inclusion targets	Progress
Increase the representation of Women in Leadership by 3% to 34.1% by 2020.	Group-wide representation of Women in Leadership is at 32%. This represents a 0.9% 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 2020.	Since 2016, we have recruited 510 people from under-represented groups. This figure is made up of 200 Indigenous Australians, 240 people with a disability, and 70 refugees.
Maintain an organisation inclusiveness score of at least 93% in 2018.	We maintained an organization inclusiveness score of 93% in 2018.

13.4 GENDER BALANCE AT BOARD, SENIOR EXECUTIVE AND MANAGEMENT LEVELS

ANZ's Board currently comprises nine directors, one Executive Director (the CEO), and eight Non-Executive Directors, three of whom are women. In August 2015, the EESG Committee set the objective of achieving at least 30% female representation on the Board by the end of calendar year 2017. This objective was achieved more than a year early, and female representation on the Board is now at 33.3%. 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 four women on ExCo: the Deputy CEO and Group Executive Wealth Australia; Chief Financial Officer; Group Executive Talent and Culture; and Group Executive Digital Banking.

During the 2018 financial year, overall representation of Women in Leadership increased to 32%. Senior executive female representation decreased by 2% while executive female representation increased by 1.7%. Maintaining the focus on achieving gender balance remains a key strategy across all of ANZ's geographies and businesses.

As at 30 September 2018, females were appointed to 49% of all employee directorships on subsidiary boards.

13.5 TARGETS AND PROGRESS FOR IMPROVING OUTCOMES IN GENDER EQUALITY

Annual targets have been set for Women in Management since 2004. Commencing in 2018, instead of measuring women in management, we now measure women in leadership, targeting female representation at the Senior Manager, Executive and Senior Executive levels. Progress and results for the 2018 financial year are set out below, defining each level of Management in relation to the CEO.

Group [^]	2017 Baseline	FY18 Actual % of women	FY18 Actual number of women
Senior Executives & Executives (incl ExCo)	27.8%	28.9%	185
CEO-1: Group Executive Committee	33.3%	33.3%	4
CEO-2: Senior Executives ¹	27.2%	25.2%	28
CEO-3: Executives ²	27.9%	29.5%	153
Senior Managers ³	32.3%	33.2%	604
Managers ⁴	43.0%	43.1%	7,119
Total Women in Leadership⁵	31.1%	32%	789
Total Women in Non-Leadership ⁶	54.7%	54.7%	22,064
ANZ Overall	53.4%	53.4%	22,853

[^] "Group" includes all employees regardless of leave status (but not contractors, which are included in FTE).

¹ "Senior Executive" comprises persons holding roles within ANZ designated as Group 1. These roles typically involve leading one of: a large business, a geographic area, or the strategy, policy and governance of business areas (excludes ExCo).

² "Executive" comprises persons holding roles within ANZ designated as Group 2.

³ "Senior Manager" comprises persons holding roles within ANZ designated as Group 3.

⁴ "Manager" comprises persons holding roles within ANZ designated as Group 4.

⁵ "Total Women in Leadership" represents all ANZ Executive Committee roles and roles within ANZ designated as Group 1 to 3.

⁶ "Non-Leadership" comprises women holding roles within ANZ designated as Group 4 to 6.

13.6 2019 DIVERSITY AND INCLUSION TARGETS

In 2019, we will continue to implement our diversity objectives, which are to:

- increase the representation of Women in Leadership by 3% to 34.1% by 2020; and
- recruit >1,000 people from under-represented groups including Indigenous Australians, people with a disability, and refugees by 2020.

More information on ANZ's approach to diversity and inclusion is available in the 2018 Corporate Sustainability Review (independently assured by KPMG). It will be published on ANZ's website at anz.com/shareholders in December 2018.



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/WGEA

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

Australia and New Zealand Banking Group Limited

ABN / ARBN

11 005 357 522

Financial year ended:

30 September 2018

Our corporate governance statement² for the above period above can be found at:³

This URL on our website:
anz.com/corporategovernance

The Corporate Governance Statement is accurate and up to date as at 30 October 2018 and has been approved by the board.

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

Date: 5 November 2018

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

¹ 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.

² "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.

³ 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 7 and 8 ... 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 7 and 8 and in our Board Charter which is available at this URL on our website anz.com/corporategovernance
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 13 and 21
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 13
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 14
1.5	A listed entity should: (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; (b) disclose that policy or a summary of it; and (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: (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 (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.	... the fact that we have a diversity policy that complies with paragraph (a): <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 23 ... and a copy of our diversity policy or a summary of it: <input checked="" type="checkbox"/> at this URL on our website anz.com/corporategovernance ... 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 23 ... and the information referred to in paragraphs (c)(1) or (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 24

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 12 ... and the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 12
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 12 ... and the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 12
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
2.1	The board of a listed entity should: (a) have a nomination 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 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.	... the fact that we have a nomination committee that complies with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 15 and 17 ... 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 8 and 17
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.	... our board skills matrix: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 10

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 6 and 11 and on pages 32 to 36 of our 2018 Annual Report which is available at this URL on our website: http://shareholder.anz.com/pages/annual-report-and-shareholder-review ... and, where applicable, the information referred to in paragraph (b): Not applicable ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 7
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 11
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 7
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 13
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY		
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 20 and at this URL on our website anz.com/corporategovernance
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 15 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 anz.com/corporategovernance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> on pages 32 to 36 of our 2018 Annual Report which is available at this URL on our website: http://shareholder.anz.com/pages/annual-report-and-shareholder-review and in our Corporate Governance Statement on page 8</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 15</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 21</p>
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 22 and at this URL on our website anz.com/corporategovernance</p>
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> at this URL anz.com/corporategovernance</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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 21
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 21
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 21
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
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 17 and 18 ... 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 8 and 17
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 18 ... 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 18
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 19

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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 22
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
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 16 and 17 ... 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 8 and 17
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 13
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 20 and at this URL on our website anz.com/corporategovernance