

## ANZ 2013 Annual Report – How ANZ applies the ASX Governance Principles

As an ASX listed company, ANZ is required to disclose how it has applied the Recommendations contained within the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations during the financial year, explaining any departures. ANZ confirms that it has followed all applicable Recommendations for its financial year ended 30 September 2013.

Principle/Recommendation	Location*
<b>1. Lay solid foundations for management and oversight</b>	
1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Page 56
1.2 Companies should disclose the process for evaluating the performance of senior executives.	Pages 30-38 and 60
1.3 Provide related disclosures - the following should be included in the Corporate Governance Statement: <ul style="list-style-type: none"> <li>- an explanation of any departure from any principle 1 recommendation; and</li> <li>- whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed.</li> </ul> The board charter should be made publicly available.	n/a  Page 60  anz.com
<b>2. Structure the board to add value</b>	
2.1 A majority of the board should be independent directors.	Pages 52-55
2.2 The chair should be an independent director.	Page 52
2.3 The roles of the chair and chief executive officer should not be exercised by the same individual.	Page 52
2.4 The board should establish a nomination committee.	Page 62 (Governance Committee)
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Pages 59-60
2.6 Provide related disclosures - the following should be included in the Corporate Governance Statement: <ul style="list-style-type: none"> <li>- the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report;</li> <li>- the names of the directors considered by the board to constitute independent directors and the company's materiality thresholds;</li> <li>- the existence of any relationships listed in the ASX's commentary and an explanation of why the board considers a director to be independent, notwithstanding the existence of these relationships;</li> <li>- a statement as to whether there is a procedure agreed by the board for directors to take independent professional advice at the expense of the company;</li> <li>- a statement as to the mix of skills and diversity for which the board of directors is looking to achieve in membership of the board;</li> <li>- the period of office held by each director in office at the date of the annual report;</li> <li>- the names of members of the nomination committee and their attendance at committee meetings;</li> <li>- whether a performance evaluation for the board, its committees and directors has taken place in the reporting period and whether it was in accordance with the process disclosed; and</li> <li>- an explanation of any departure from any principle 2 recommendation.</li> </ul> The following material should be made publicly available: <ul style="list-style-type: none"> <li>- a description of the procedure for the selection and appointment of new directors and the re-election of incumbent directors;</li> <li>- the nomination committee charter; and</li> <li>- the board's policy for the nomination and appointment of directors.</li> </ul>	Pages 52-55 Pages 52-55 and 58 n/a Page 58 Page 57 Pages 52-55 Pages 62-63 Page 60 n/a Pages 57-58 and anz.com anz.com anz.com

\* Page references are to ANZ's 2013 Annual Report  
 References to anz.com are to the Corporate Governance section of anz.com  
[\(https://www.anz.com/about-us/our-company/corporate-governance/\)](https://www.anz.com/about-us/our-company/corporate-governance/)

Principle/Recommendation		Location*
<b>3. Promote ethical and responsible decision-making</b>		
<b>3.1</b>	Companies should establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> <li>- the practices necessary to maintain confidence in the company's integrity;</li> <li>- the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and</li> <li>- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</li> </ul>	Pages 65-66 and anz.com
<b>3.2</b>	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	anz.com
<b>3.3</b>	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Pages 68-70
<b>3.4</b>	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Page 68
<b>3.5</b>	Provide related disclosures - the Corporate Governance Statement should include an explanation of any departure from any principle 3 recommendation. The following material should be made publicly available: <ul style="list-style-type: none"> <li>- any applicable code of conduct or a summary; and</li> <li>- the diversity policy or a summary of its main provisions.</li> </ul>	n/a Pages 65-66 and anz.com
<b>4. Safeguard integrity in financial reporting</b>		
<b>4.1</b>	The board should establish an audit committee.	Page 61
<b>4.2</b>	The audit committee should be structured so that it: <ul style="list-style-type: none"> <li>- consists only of non-executive directors;</li> <li>- consists of a majority of independent directors;</li> <li>- is chaired by an independent chair, who is not the chair of the board; and</li> <li>- has at least three members.</li> </ul>	Pages 52-55 and 62
<b>4.3</b>	The audit committee should have a formal charter.	Pages 60-61
<b>4.4</b>	Provide related disclosures - the following should be included in the Corporate Governance Statement: <ul style="list-style-type: none"> <li>- the names and qualifications of those appointed to the audit committee and their attendance at committee meetings;</li> <li>- the number of meetings of the audit committee; and</li> <li>- an explanation of any departure from any principle 4 recommendation.</li> </ul> The following material should be publicly available: <ul style="list-style-type: none"> <li>- the audit committee charter; and</li> <li>- information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners.</li> </ul>	Pages 52-55 and 61-63 Page 63 n/a anz.com
<b>5. Make timely and balanced disclosure</b>		
<b>5.1</b>	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Page 67 and anz.com
<b>5.2</b>	Provide related disclosures - the Corporate Governance Statement should include an explanation of any departure from any principle 5 recommendation. The policies or a summary of those policies designed to guide compliance with Listing Rule disclosure requirements should be made publicly available.	n/a anz.com
<b>6. Respect the rights of shareholders</b>		
<b>6.1</b>	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Page 66 and anz.com
<b>6.2</b>	Provide related disclosures - the Corporate Governance Statement should include an explanation of any departure from any principle 6 recommendation. A description of how the company will communicate with its shareholders publicly should be made available.	n/a Page 66 and anz.com

Principle/Recommendation		Location*
<b>7. Recognise and manage risk</b>		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Pages 63-66 and anz.com
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Page 63
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Page 63
7.4	Provide related disclosures - the following should be included in the Corporate Governance Statement: <ul style="list-style-type: none"> <li>- an explanation of any departure from any principle 7 recommendation;</li> <li>- whether the board has received the report from management under Recommendation 7.2; and</li> <li>- whether the board has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) under Recommendation 7.3.</li> </ul> A summary of the company's policies on risk oversight and management of material business risks should be made publicly available.	n/a Page 63 Page 63 anz.com
<b>8. Remunerate fairly and responsibly</b>		
8.1	The board should establish a remuneration committee.	Pages 62-63 (Human Resources Committee)
8.2	The remuneration committee should be structured so that it: <ul style="list-style-type: none"> <li>- consists of a majority of independent directors;</li> <li>- is chaired by an independent chair; and</li> <li>- has at least three members.</li> </ul>	Pages 52-55 and 62
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Page 57
8.4	Provide related disclosures - the following material or a clear cross-reference to the location of the material should be included in the Corporate Governance Statement: <ul style="list-style-type: none"> <li>- the names of the members of the remuneration committee and their attendance at committee meetings;</li> <li>- the existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive directors; and</li> <li>- an explanation of any departure from any principle 8 recommendation.</li> </ul> The following material should be made publicly available: <ul style="list-style-type: none"> <li>- the remuneration committee charter; and</li> <li>- a summary of the company's policy on prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.</li> </ul>	Pages 62-63 Page 57 n/a anz.com Page 66 and anz.com