

Board Charter

1. Who we are

1.1 Vision

Our vision of is to be Australia's most customer connected bank.

1.2 Strategy

Our strategy is to focus on the success of our customers, people, partners and communities by:

- Taking a 100 year view
- Listening and responding
- Respecting every customer's choice, needs and objectives
- Partnering for shared success
- Having a clear Purpose that is supported by our Values

1.3 Values

Our values

- Teamwork
- Integrity
- Performance
- Engagement
- Leadership
- Passion

1.4 Our purpose

As a bank we are good with money

But it's bigger than that

We are more interested in the good money can do

We care about people and what they care about

People should be treated fairly and decently no matter their circumstances

We know people with a purpose make great things happen

Community is as important to us as it is to its members

We strive to create and share value with everyone connected with our business

We weigh all our decisions because they affect the future we help to create

Our actions define us more than our words will

2. Role of the Board

2.1. Sustainable shareholder value and social licence

The role of the Board is to build sustainable shareholder value. It does this in the context of who we are: our Vision, Strategy, Values and Purpose. It also does this having regard to our social licence to operate and maintaining trust.

3. Responsibilities of the Board

3.1. General

The responsibilities of the Board include those set out in this charter, the constitution and Board policies and imposed through legal and regulatory requirements.

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Example of regulatory requirements: Requirements imposed by the Australian Prudential Regulatory Authority.

3.2. Delegation to Managing Director

The Board delegates to the Managing Director all responsibilities except the following:

- Corporate governance.
- Responsibilities required to be exercised by the Board (or its Committees) under the constitution or by legal or regulatory requirements.
- Responsibilities reserved to the Board under this charter.
- Responsibilities delegated by the Board to a Committee.
- Matters above specific delegation limits. This includes financial, credit and risk limits.
- Any other matter the Board decides, as advised to the Managing Director.

3.3. Vision, strategy, values and purpose

With management, set the Vision, Strategy, Values and Purpose, and in doing so, set the corporate culture,

Act consistently with the corporate culture in decision making and behaviours,

Monitor the corporate culture and the embedding of it across the Group by the CEO and Executives.

3.4. People

(a) Managing Director

In relation to the Managing Director, the Board is responsible for the following.

- Appointment, terms of appointment, removal
- Setting performance criteria and monitoring performance
- Setting remuneration
- Succession planning

(b) Executives

With assistance from the Governance & HR Committee, the Board is responsible for the following:

- The pro forma terms of employment for Executives.
- Monitoring succession planning for Executives.
- For those executive roles decided by the Board and advising to the Managing Director, approve proposed appointments.

(c) Remuneration

Considering recommendations of the Governance & HR Committee and approving the following:

- The remuneration policy for employees.
- The remuneration of individual employees decided by the Board, including those designated under regulatory requirements.

Example: Specified responsible persons and additional management personnel identified under the Remuneration Policy, including Executives.

- The remuneration structure for other categories of employees decided by the Board, including those designated under regulatory requirements.

Example: Specified categories of responsible person and risk and control

personnel identified under the Remuneration Policy.

- The design of incentive arrangements and equity plans, and any risk adjustment.
- Whether there is an annual bonus pool and its size.
- Any other matters requiring Board approval under the Remuneration Policy.

(d) Diversity

Considering recommendations of the Governance & HR Committee and approving the following:

- The measurable diversity objectives for employees and the Board.
- The annual assessment of performance against the measurable objectives for employees and the Board.

(e) Workplace health and safety

With assistance from the Governance & HR Committee, providing oversight and monitoring of workplace health and safety.

3.5. Business, operational and financial

Review and approve the strategic direction of the Group. This includes the following:

- Setting the strategic initiatives as well as operational and financial targets.
- Reviewing on an annual basis the business plan setting out how management will implement the strategic and financial objectives.
- Monitor management's performance and progress against the strategy, including the business and financial objectives.

Approve significant corporate strategic initiatives, including the acquisition, establishment, disposal or ending of any significant business.

With assistance from the Technology Committee, oversee the architecture and technology strategy, the management of technology assets and major projects.

Approve any significant changes to organisational structure.

Approve, on referral from the Managing Director, the substance of any announcement of major significance including a material profit upgrade or downgrade or material acquisition.

With assistance from the Audit Committee, approve the regulatory financial disclosures for the Group.

3.6. Risk

Consideration of the recommendations of the Risk Committee, including doing each of the following:

- Form a view of the risk culture in the Bank, and to the extent to which that culture supports the ability of the Bank to operate consistently within its risk appetite, identify any desirable changes to risk culture and ensure the Bank takes steps to address those changes.
- Approve the risk management strategy and framework, risk appetite, risk appetite methodology and risk appetite settings, and any changes.
- Approve the internal capital adequacy assessment process, and any significant changes.

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- Approve the capital management plan and funding strategy and plan, and any changes.
- Monitoring the effectiveness of risk management, including satisfying itself that appropriate internal control mechanisms are in place and implemented.

Consideration of the recommendations of the Credit Committee, including approving the credit risk management strategy and framework, the credit risk appetite and credit risk appetite settings, and any changes.

Consideration of the recommendations of the Audit Committee.

Maintaining a relationship with the external auditor.

4. Procedural matters

4.1. Agenda and information

The Chair is responsible for setting the agenda, with the Managing Director and Company Secretary, and ensuring sufficient time is available for discussion. Any director may request that an item be added to the agenda.

The Managing Director is responsible, liaising with the Chair, to make sure management provides the Board with information and reports in a form and timeframe and of a quality that will enable the Board to discharge its duties effectively.

If papers are tabled at a Board meeting, every possible effort is to be made so that papers are available to all directors attending, regardless of location. If this is not possible, a director who has not received a paper may abstain from voting. The Chair may defer consideration until papers are available to all directors.

The Board is entitled to seek any information it requires from any Group employee or any other source.

4.2. Board meeting attendees

The Board is to meet periodically without the executive director or other management representatives present.

The Board may, by invitation, request employees and third parties to attend Board meetings.

The Board may meet with employees and third parties without the presence of management.

4.3. APRA

The Chair and the Board are available to meet with APRA on request.

4.4. External auditor

The Chair of the Audit Committee and the Board are available to meet with the external auditor on request.

Notes

See also:

- *Board Policy: Appointment, Re-Election, Independence, Renewal, Performance and Remuneration*
- *Minutes policy*

References to the Group are to Bendigo and Adelaide Bank Limited and its wholly-owned subsidiaries.

This charter was adopted by the Board of Bendigo and Adelaide Bank Limited on 31 July 2018.