

# Board Committee Procedural Rules

## 1. Application

### 1.1 About the Procedural Rules

These rules apply to the following Board committees of Bendigo and Adelaide Bank Limited (the Bank).

1. Governance & HR Committee
2. Audit Committee
3. Risk Committee
4. Credit Committee
5. Technology Committee

## 2. The Committee Rules

### 2.1. Composition

Each Committee must be composed as follows:

- At least three members. In the case of the Risk Committee, Credit Committee, Audit Committee and Governance & HR Committee, all members must be non-executive directors.
- A majority of independent directors.
- An independent Chair. In the case of the Risk Committee, Credit Committee, Audit Committee and the Governance & HR Committee, the Chair must not be the Chairman of the Board.
- In relation to the Audit Committee, all members must be financially literate and at least one member must have financial expertise (as a qualified accountant or as a financial professional with experience of financial and accounting matters).
- In relation to the Credit Committee, at least one member must have credit expertise.
- In relation to the Technology Committee, at least one member must have technology expertise.

Independence is assessed by reference to the Board Policy and consideration will be given to cross-membership between the committees where appropriate.

### 2.2. Appointment and term

The composition of each Committee is to be reviewed on an annual basis. The appointment of each member ends at the Board meeting at which the composition is considered. Each member is eligible for re-appointment. The composition may also be reviewed at other times at the discretion of the Board.

### 2.3. Committee Chair

The Chair is selected by the Board at the same time as the members are appointed and for the same period as the appointment as a member, subject to the discretion of the Board.

### 2.4. Secretary and minutes

The secretary for Board Committees is to be either the Company Secretary or person nominated by the Company Secretary and agreed with the Chair. The Secretary will prepare draft minutes of each Board Committee meeting promptly after the meeting for review and confirmation by the Committee Chairman. The minutes are included the agenda of the next meeting of the Committee. The minutes are also included in the agenda of the subsequent Board meeting.

### 2.5. Quorum

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A quorum is the higher of the following:

- One-third of Committee members, of which a majority must be non-executive directors.
- Two non-executive members.

## 2.6. Meetings and notices

### (a) General

The Committees will meet in accordance with the annual meeting calendar approved by the Board, or more frequently if necessary. In addition, the Chair must call a meeting of the Committee on request by any member of the Committee.

The Chair of each Committee will report to the Board on the outcomes of Committee meetings. This includes matters decided by the Committee, matters that need to be brought to the attention of the Board and any matters recommended for approval or action by the Board.

The Secretary is responsible for advising the dates, times and venues for meetings to members, and distributing papers within a reasonable period before the meetings.

### (b) Joint meeting

The Governance & HR Committee meeting that considers the remuneration outcomes for those responsible person roles identified in the Remuneration Policy will be held jointly for that part of the meeting with the Risk Committee and the Audit Committee.

## 2.7. Attendees and access to information

A Committee is authorised to seek any information it requires from any Group employee or from any other source. It is entitled to meet with employees and third parties without the presence of management.

A Committee may, by invitation, request employees and third parties to attend Committee meetings on a standing or ad hoc basis.

### *Audit Committee*

The Audit Committee must meet at least annually with the Head of Group Assurance without management.

The Head of Group Assurance and External Auditor have a standing invitation to attend all meetings of the Audit Committee.

The Head of Group Assurance has a direct reporting line to the Audit Committee and an administrative reporting line to the Company Secretary.

Any of senior management, Head of Group Assurance, External Auditor, Chief Financial Officer and Head of Group Operational Risk may request to meet with the Audit Committee.

### *Risk Committee / Credit Committee*

The Chief Risk Officer has a standing invitation to all risk committee and credit committee meetings and may request to meet with the risk or credit committee.

### *Governance & HR Committee*

The Head of People and Culture may request to meet with the Governance & HR Committee with respect to matters relating to work health and safety.

The Head of People and Culture and the Chief Risk Officer each have an invitation to attend the Governance & HR Committee meeting that considers the remuneration of those persons as required under the Remuneration Policy.

The Directors of Rural Bank and Sandhurst Trustees have access to the Governance & HR Committee on matters relevant to the subsidiary companies.

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## 2.8. Professional advisers and experts

A Committee may consult a professional adviser or expert, at the cost of the Bank, if the Committee considers it necessary to carry out its duties and responsibilities.

## 2.9. Reliance

A Committee member is entitled to rely on information, or professional or expert advice given or prepared by an employee whom the director believes on reasonable grounds to be reliable and competent in relation to matters concerned or a professional adviser or expert in relation to matters that the director believes on reasonable grounds to be within the person's professional or expert competence provided both the following requirements are met:

- a) The reliance was made in good faith.
- b) The reliance was made after making an independent assessment of the information or advice, having regard to the director's knowledge of the Bank and the complexity and structure and operations of the Bank.

## 2.10. Board and other Board committees

- (a) A Committee must refer to the Board and to any Board Committee any matter that comes to the attention of the Committee that is relevant for consideration by the Board or the respective Board Committee. The Board or Committee to which the matter is referred is responsible for the matter referred.

Example: Referral by the Technology Committee to the Risk Committee of a material operational risk in relation to a technology matter.

- (b) The Board or a Committee may refer a matter within the expertise of another Committee to that Committee for advice. The Board or Committee seeking the advice remains responsible for any matter on which it seeks advice.

Example: A request for advice by the Risk Committee to the Technology Committee about a technology matter.

## 2.11. Review of rules, charter and performance

Each Committee is to provide a written report to the Board dealing with each of the following.

- Annually, the performance of the Committee against the requirements of its Charter, including continuous improvement changes the Committee has agreed to action, with progress tracked quarterly by the Committee.
- Annually, the goals and objectives of the Committee for the next assessment period.
- Biennially, any changes to the Charter to make sure it remains consistent with the Committee's purpose and responsibilities.

*These rules were adopted by the Board of Bendigo and Adelaide Bank Limited on 15 December 2003 and last updated 28 May 2019.*