

BOARD AUDIT COMMITTEE CHARTER

As at 12/12/2022

As part of Bendigo and Adelaide Bank Limited's (the **Bank**) corporate governance framework, the Bank's board (the **Board**) has a separate Board Audit Committee (the **Committee**) which assists the Board to carry out its responsibilities.

1. ROLE

- a) The Committee assists the Board by providing an objective non-executive review of the effectiveness and integrity of the Group's financial, non-financial and regulatory reporting requirements and related audit functions.
- b) In the discharge of its responsibilities, the Committee ensures that the strategies, policies and practices it oversees comply with legal and regulatory requirements, align with the Bank's purpose, values and strategic objectives and are consistent with the Bank's risk appetite and culture.

2. RESPONSIBILITIES

The Committee is responsible for:

2.1. External Audit

- (a) Overseeing the external audit function, including the following:
 - (i) Monitoring compliance with Group policy requirements for the selection and appointment of the external auditor including recommending to the Board when the external audit contract should be put to tender, subject to any law or regulation.
 - (ii) Recommending to the Board any proposed appointment or removal (subject to prior consultation with APRA) of the external auditor.
 - (iii) Reviewing and approving the annual external audit plan including key audit matters, materiality thresholds, reliance and engagement with Group Internal Audit and the use of specialists.
 - (iv) Reviewing and approving the annual external audit engagement letter including fees, terms and conditions. This includes the approval of additional assurance and audit-related services to be provided by the external auditor.
 - (v) Annually reviewing and assessing the performance of the external auditor and management's assessment of it.
- (b) Reviewing and approving changes to the External Audit Independence Policy and monitoring compliance with that policy, including the following:

Bendigo and Adelaide Bank Limited

- (i) Overseeing compliance with policy requirements for the engagement of the external auditor to provide permitted non-audit services. This includes determining the categories of permitted non-audit services and deciding on management proposals for the provision of audit, assurance and non-audit services.
 - (ii) Assessing the adequacy, effectiveness and independence of the external auditor. This includes the rotation of the audit engagement partner and tenure of the external audit firm.
 - (iii) Regularly reviewing the independence of the external auditor including its advice on non-audit work undertaken including consideration of the external audit engagement partner rotation, and the six-monthly and annual independence declarations from the external auditor.
- (c) Considering any proposal from a subsidiary, joint venture or equity accounted entity for the appointment or removal of an external auditor.
- (d) Conducting the annual fit and proper assessment of the external auditor as required by APRA.
- (e) On a regular basis and at least annually, meeting with the external auditor without the presence of management.

2.2. Group Internal Audit

- (a) Overseeing the Group Internal Audit function, including the following:
- (i) Reviewing and approving changes to the Group Internal Audit Charter.
 - (ii) Reviewing and approving the Group Internal Audit Plan.
 - (iii) Annually assessing the performance, adequacy and independence of the Group Internal Audit function.
 - (iv) Reviewing and assessing the annual internal and the five-yearly external quality assessment of the Group Internal Audit function.
- (b) Receiving and reviewing regular reports from Group Internal Audit on significant audit findings and the timeliness and adequacy of management's responses and progress in resolving outstanding significant audit findings.
- (c) Requesting executive management to attend Committee meetings as appropriate to respond to audit findings.
- (d) Deciding on the appointment or removal (in the case of removal, in consultation with APRA) of the Head of Group Internal Audit.
- (e) Regularly reviewing the performance of the Head of Group Internal Audit and

assessing and approving annual remuneration reviews.

2.3. Financial reporting

Overseeing the Group's statutory financial reporting obligations, including the following:

- (i) Reviewing the half year financial statements and full year financial statements (including the regulatory declarations from the Chief Executive Officer and Chief Financial Officer) for recommendation to the Board.
- (ii) Reviewing the half year and full year result announcements prepared in accordance with ASX Listing Rules for recommendation to the Board.
- (iii) Receiving and considering the closing report (and any related reports on risks or internal control deficiencies) issued by the external auditor in connection with the audit of the Group's half-year and full year financial reporting obligations.
- (iv) Discussing the conduct of the audit with the external auditor including any difficulties experienced in performing the audit, any restrictions on the scope of the audit including limitations in accessing information and any material disagreements with management that have not been resolved to the satisfaction of the external auditor.
- (v) Reviewing the management representation letter from the Chief Financial Officer to the external auditor.
- (vi) Reviewing all significant accounting estimates and judgements, unusual or uncertain accounting treatments, significant transactions and material judgements over disclosures.
- (vii) Monitoring developments in statutory reporting and accounting and disclosure requirements relating to the preparation of the Group's half-year and full year financial statements.
- (viii) Monitoring developments in relation to professional audit standards including audit report disclosures.
- (ix) Reviewing and deciding on any new or proposed changes in Group accounting policies.

- (x) Reviewing and assessing the processes implemented to support the regulatory declarations by the Chief Executive Officer and Chief Financial Officer in relation to the Group's financial statements and the system of risk management and internal control for financial reporting risks.
- (xi) Oversee any requests for information/clarification from Regulators as it relates to any surveillance or review of financial reporting.

2.4. Risk management and internal control

Monitoring the adequacy and effectiveness of the Group's risk management and internal control systems, including the following:

- (i) Receiving reports (from Group Internal Audit or external audit) on compliance with, and effectiveness of, the risk management framework.
- (ii) Receiving status updates on significant external and internal audit findings including material internal control deficiencies and monitoring the progress of management to manage and resolve the findings and issues in an appropriate and timely manner.

2.5. Environmental, Social and Governance (ESG) management and reporting controls

- (a) Acting as the primary conduit to the Board for ESG management and reporting controls and assisting the Board through oversight of the Group's collective ESG efforts.
- (b) Undertaking the following functions specifically in relation to ESG matters:
 - (i) Overseeing and monitoring the effectiveness of the Group's approach to determining ESG focus areas (through review of annual ESG materiality assessment) and management controls linked to these focus areas on behalf of the Board, ensuring alignment with Group strategy.
 - (ii) Monitoring the Group's ESG risk and opportunities profile, including emerging risks and opportunities.
 - (iii) Receiving and considering regular updates from management on matters relating to the Group's ESG-approach (including Climate Change Action Plan progress updates).
 - (iv) Reviewing the Climate Change Action Plan on a six-monthly basis and recommending it (on an annual basis) to the Board for approval.
 - (v) Reviewing the Sustainability Report and other ESG-related disclosures and recommending these for approval to the Board.
 - (vi) Reviewing the Group's Modern Slavery Statement and recommending it to the Board for approval.
 - (vii) Considering ESG-related position statements of the Group and recommending

these for approval to the Board.

- (c) Overseeing independent assurance processes over non-financial reporting.

2.6. Prudential responsibilities

- (a) Special Purpose Engagements: Reviewing the objectives, scope and outcomes of relevant prudential reviews.
- (b) Prudential audit report: Reviewing the external auditor's annual assurance report on compliance with APRA's prudential and reporting requirements.
- (c) Prudential risk reviews: Receiving and considering copies of all reports provided by APRA to the Bank that do not fall under the responsibility of another Board committee.
- (d) The Committee members are to be available to meet with APRA on request and will deal with APRA in an open, constructive and co-operative way.

3. OTHER RESPONSIBILITIES

- (a) Reporting of Concerns/whistleblower matters: Ensure that the Group establishes and maintains policies and procedures for employees to submit, confidentially, information about accounting, internal control, compliance, audit, and other matters about which the employee has concerns. This includes ensuring that there is a process for ensuring employees are aware of these policies and for dealing with matters raised by employees under these policies.
- (b) Organisational Culture: Monitor and assess insights arising from internal and external assurance work regarding the organisation's culture.
- (c) Subsidiaries, joint ventures and associates: Monitor any material external audit findings and recommendations arising from the audit of subsidiary, joint venture and associated entity financial statements (where not covered in the external audit closing report).
- (d) Taxation: Monitor compliance with taxation obligations applicable to the Group and oversee taxation developments.
- (e) Policies: The Committee has delegated authority from the Board to approve amendments to policies within its scope of responsibility including the External Audit Independence Policy and Subsidiary Audit Policy.
- (f) Outsourcing: Receive reports on reviews by Group Internal Audit on compliance with the requirements of the Outsourcing Policy (CPS 231 or its replacement).

- (g) Business Continuity: Receive periodic assurance reports on the Business Continuity Plan (CPS 232).
- (h) Reviews: The Committee may initiate reviews, as needed, to fulfil the Committee's responsibilities under this charter.
- (i) Corporate reporting: The Committee reviews the process undertaken to verify the integrity of any periodic corporate report released by the Group to the market that is not audited or reviewed by an external auditor. In particular, the Committee approves the Basel III Pillar 3 Disclosure (APS330) announcements to the ASX or recommends its adoption to the Board for release where unrelated continuous disclosure information is referenced.
- (j) General: Any other responsibilities delegated to the Committee by the Board from time to time.

4. TERMS OF OPERATION

4.1. Composition

- a) The Committee comprises at least three independent, non-executive Directors of the Bank (**Committee Members**).
- b) Committee Member appointment and rotation is at the discretion of the Board.
- c) The Board appoints one Committee Member as Committee Chair. The Chair of the Board may be a member of the Committee, but may not chair the Committee.
- d) All Committee Members must be financially literate and at least one Committee Member must have financial expertise (as a qualified accountant or as a financial professional with experience of financial and accounting matters).

4.2. Meetings

- a) The Committee meets at least quarterly and as often as the Committee or Board deems necessary for the Committee to discharge its role effectively. Each year the Committee approves a meeting planner setting out the standing items of business, reports and policy reviews to be considered during the year.
- b) The Committee Chair reports to the Board on the outcomes of Committee meetings.
- c) A quorum is two Committee Members.
- d) The Audit Committee must meet at least annually with the Head of Group Internal Audit without management.
- e) The Head of Group Internal Audit and External Auditor have a standing invitation to attend all meetings of the Audit Committee.

- f) The Head of Group Internal Audit has a direct reporting line to the Audit Committee.
- g) Any of senior management, Head of Group Internal Audit, External Auditor, Chief Financial Officer, Chief Risk Officer and Head of Group Operational Risk may request to meet with the Audit Committee.
- h) The Committee may, by invitation, request employees and third parties to attend Committee meetings on a standing or ad hoc basis.
- i) Minutes of each Committee meeting are provided to the next meeting of the Committee. Approved Committee minutes are tabled at the next Board meeting.

4.3. Access to information and independent advice

- a) The 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.
- b) The 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.

4.4. APRA

Committee members will meet with APRA on request.

4.5. Committee performance

- a) The Committee assesses its performance annually.
- b) The Committee reviews this Charter at least every three years and recommends any amendments to the Board.

4.6. Delegation

The Committee may delegate its responsibilities to a sub-committee of one or more Committee Members for a specific purpose. Any such sub-committee will report directly to the Committee.

Adopted by the BEN Board	15 December 2003
Last revised	12 December 2022
Next review date	December 2025
BEAR Accountable Person	Each member of the Board Audit Committee