

BOARD PEOPLE, CULTURE AND TRANSFORMATION COMMITTEE CHARTER

As at 29/03/2023

As part of Bendigo and Adelaide Bank Limited's (**Bank** or **BEN**) corporate governance framework, the Bank's board (the **Board**) has a separate People, Culture and Transformation Committee (the **Committee**) which applies transparency, focus and independent judgement to decisions regarding the Bank's people, its culture, and its transformation programs.

1. ROLE

- a) The Committee assists the Board to discharge its responsibilities in relation to the Bank's strategies, policies and practices relating to:
 - (i) people and culture (including remuneration); and
 - (ii) key transformation programs including technology, digital and data strategies.
- b) The Committee's responsibilities apply in relation to the Bank and its subsidiaries (**Group**).
- c) 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.
- d) Certain subsidiaries of the Bank that are regulated by the Australian Prudential Regulation Authority (**APRA**) delegate their remuneration committee functions to the Committee pursuant to Prudential Standard SPS 510 Governance (**Regulated Subsidiaries**).

2. RESPONSIBILITIES

The Committee is responsible for:

2.1. Remuneration

- a) Reviewing and making recommendations to the BEN Board and Regulated Subsidiary Board(s) in relation to:
 - (i) the remuneration framework for directors;

- (ii) remuneration packages to be awarded to executive management and other designated employees;
 - (iii) the establishment, design, ongoing performance and cessation of:
 - o incentive arrangements for executive management and other designated employees; and
 - o all equity-based remuneration plans.
 - (iv) superannuation arrangements for directors, executive management and other designated employees; and
 - (v) whether there is any gender or other inappropriate bias in remuneration for directors, executive management or other employees and the corresponding plan of action to rectify identified gaps.
- b) Overseeing the design principles, governance and reporting arrangements for incentive arrangements not covered by paragraph 2.1a)(iii) above.
- c) Conducting regular reviews of, and making recommendations to the BEN Board and Regulated Subsidiary Board(s) on, the Group's Remuneration Policy.
- d) In consultation with the Board Risk Committee, Chief Risk Officer and other Committee Chairs as required, making annual recommendations to the BEN Board and Regulated Subsidiary Board(s) on the remuneration outcomes of:
- (i) the Managing Director;
 - (ii) direct reports of the Managing Director;
 - (iii) other persons whose activities may, in the Committee's opinion, affect the financial soundness of the institution; and
 - (iv) any person specified in the Remuneration Policy and/or by APRA including key management personnel (as defined in the *Corporations Act 2001* (Cth) and determined by the Committee) (**KMP**).
- e) Making recommendations to the BEN Board and Regulated Subsidiary Board(s) on application of the Clawback and Malus policy.

- f) Reviewing the conduct and reputational risk associated with the remuneration practices of the Group's franchise partners.
- g) Reviewing the Bank's annual Remuneration Report and making recommendations to the BEN Board for its inclusion in the annual directors' report.
- h) Reviewing the remuneration disclosures required under APS 330 Public Disclosure and making recommendations to the Board for its publication.
- i) Overseeing the approach to compliance with Prudential Standard CPS 511 Remuneration and reviewing and recommending to the Board proposed changes to Group remuneration policies and arrangements.

2.2. People and culture

- a) Assisting the Board in its oversight of human resources matters including employee engagement, development, attraction and retention.
- b) Assisting the Board in its oversight and monitoring of work health, safety and wellbeing.
- c) Overseeing strategies to measure, monitor and transform culture at the Bank.
- d) Reviewing and making recommendations to the Board in relation to:
 - (i) employee engagement survey results;
 - (ii) the Bank's culture (including in conjunction with the Board Risk Committee the Bank's risk culture);
 - (iii) the effective operation of the Consequence Management Policy; and
 - (iv) notifications of incidents or other circumstances notified to it which could constitute a trigger event under the Bank's Clawback and Malus Policy.
- e) Receiving notification of material breaches of the Bank's Code of Conduct.
- f) Overseeing the effectiveness of the implementation of the Group's Whistleblower Policy, receiving reporting on conduct and the operation and effectiveness of the policy and receiving notification of material incidents reported under that policy.

- g) Together with the Board and the Board Risk Committee, receiving notification of material breaches of the Bank's Anti-Bribery and Corruption Policy by Bank staff.
- h) Considering the process for periodically evaluating the performance of the Board, its committees and Directors, and making a recommendation to the Board.
- i) Reviewing and recommending to the Board for approval the process for evaluating the performance of executive management.

2.3. Diversity and inclusion

Recommending diversity and inclusion policies and measurable objectives to the Board for approval and assessing the effectiveness of and performance against those policies and objectives.

2.4. BEAR

Providing governance and oversight of the Bank's compliance with the Banking Executive Accountability Regime (**BEAR**) under Part IIAA of the *Banking Act 1959* (Cth).

2.5. Nominations

- a) Reviewing and making recommendations to the Board in relation to:
 - (i) board succession planning;
 - (ii) induction and continuing professional development programs for directors;
 - (iii) development and implementation of a process for evaluating the performance of the board, its committees and directors
 - (iv) the process for recruiting a new director;
 - (v) the appointment and re-election of directors; and
 - (vi) ensuring there are plans in place to manage the succession of the Managing Director and other executive managers.
- b) Reviewing and making recommendations to the Board in relation to the Bank's board skills matrix.

2.6. Critical roles and succession planning

- a) Advising on the appointment and removal of the Managing Director, setting remuneration and performance criteria and monitoring performance.
- b) Setting the terms of employment of the Managing Director and undertaking succession planning.
- c) Overseeing the pro forma terms of employment for Executive Committee members and succession planning.

2.7. Corporate Governance

- a) Reviewing and recommending the adoption of the Corporate Governance Statement.
- b) Reviewing and recommending to the Board the publication and distribution of shareholder notices of meeting.
- c) Providing input on corporate governance matters and any changes to governance practices at the Bank.

2.8. Transformation

- a) Reviewing transformation program reporting to oversee the overall health of the program, including progress against strategic outcomes and key performance indicators, the achievement of benefits and appropriate management of portfolio level risks and issues.
- b) Reviewing and approving technology, digital and data strategies and their alignment with the Bank's corporate strategy.
- c) Reviewing and recommending to the Board any investments in transformation outside the delegated authority provided by the Board to the Managing Director.
- d) Receiving updates on technology-related regulatory developments that may affect the Bank.

2.9 Policies

Reviewing and approving (or recommending to the Board for approval) Bank policies, public position statements and disclosures relating to people, culture and/or transformation programs.

3. TERMS OF OPERATION

3.1. 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.

3.2. 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) Representatives of the Board Risk Committee, Board Financial Risk Committee and Board Audit Committee as well as the Chief Risk Officer may attend the Committee meeting that considers the remuneration outcomes for responsible person roles identified in the Remuneration Policy, enabling risk outcomes to be appropriately reflected in those individuals' remuneration outcomes.
- e) The Chief People Officer, Chief Risk Officer and the Chief Transformation Officer have a standing invitation to attend all Committee meetings.
- f) The Committee may, by invitation, request employees and third parties to attend Committee meetings on a standing or ad hoc basis.
- g) Minutes of each Committee meeting are provided to the next meeting of the Committee. Approved Committee minutes are tabled at the next Board meeting.

3.3. 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 take such independent legal, financial, remuneration, recruitment or other advice as it considers necessary at the cost of the Bank.
- c) The Committee approves any remuneration consultancy agreement in relation to KMP. The Committee Chair or Board Chair receives any remuneration recommendations from the consultant directly.

3.4. APRA

Committee members will meet with APRA on request.

3.5. 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.

3.6. 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.

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| Adopted by the BEN Board | 31 May 2022 |
| Last revised | 29 March 2023 |
| Next review date | May 2025 |
| BEAR Accountable Person | Each member of the Board People, Culture and Transformation Committee |
| Regulated Subsidiaries at the date of last review (defined in section 1(d)) | Bendigo Superannuation Pty Ltd |