

Policy

Board Policy

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Bendigo and Adelaide Bank acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation and the Traditional Custodians of the land where we live, learn and work. We pay our respects to Elders past and present as it is their knowledge and experience that holds the key to the success of future generations.



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Overview

Purpose

This document sets out the Board policy in relation to the following matters:

- a) Board renewal and succession planning
- b) Board appointment and re-election
- c) Resignation and removal of Directors
- d) Board performance assessment
- e) Director independence
- f) Non-executive Director remuneration
- g) Subsidiary Boards

Application and Exemptions

This policy applies to the Board and Board Committees of the Bank.

Definitions

ASX CGPR	ASX Corporate Governance Council's Corporate Governance Principles & Recommendations (Fourth Edition)
Bank	Bendigo and Adelaide Bank Limited
Board	The Board of the Bank
Board Committee	A Committee of the Board
Board Skills Matrix	The Board Skills Matrix in Appendix A
CEO & MD	Chief Executive Officer and Managing Director
Constitution	The Constitution of Bendigo and Adelaide Bank Limited
CPS 510	APRA <i>Prudential Standard CPS 510 Governance</i>
Director Appointment Criteria	The criteria relevant to the appointment and re-appointment of Directors in paragraph 2.1
Group	Bendigo and Adelaide Bank Limited and its controlled entities
BPCC	The Board People and Culture Committee
Renewal and Tenure Policy	The Renewal and Tenure Policy in paragraph 1.1
Subsidiary Director Criteria	The criteria set out in paragraph 6.2

Supporting Documents

Related documents which should be read in conjunction with this policy include:

- Financial Accountability Regime Policy
- Board Charter
- Board Committee Charters
- Committee Procedural Rules
- Fit and Proper Policy
- Board Disclosure of Interest and Conflict of Interest Policy

Review

This Policy will be reviewed every two years, unless required by legislative, industry or market developments.

Document Control Table

Version No:	Document owner	Date Approved	Approved By	Next Review	Purpose or Change
1.1	Company Secretary	March 2010	Board	2011	
1.2	Company Secretary	March 2011	Board	2013	
1.3	Company Secretary	December 2013	Board	2014	
1.4	Company Secretary	April 2014	Board	2015	
1.5	Company Secretary	July 2015	Board	2017	
1.6	Company Secretary	May 2017	Board	2018	
1.7	Company Secretary	May 2018	Board	2020	
1.8	Company Secretary	May 2019	Board	2020	
1.9	Company Secretary	January 2023	Board	2024	
1.10	Company Secretary	February 2025	Board	2027	Updated to new policy template

Policy

1 Board Renewal and Succession Planning

1.1 Renewal and Tenure Policy

The Bank must comply with the Constitution and applicable laws and regulations in relation to the retirement and re-election of Directors.

The Board's **Renewal and Tenure Policy** is:

- a) Board members should have a mix of tenure, for ongoing renewal and to avoid Directors retiring at the same time.
- b) Having regard to the complexities of the financial services and banking industry, the development of expertise and knowledge of the industry and specifically of the Group takes time.
- c) Having regard to the long-term strategy to build a sustainable business, corporate memory is important and there is a benefit in Board continuity across economic cycles.
- d) The Board must consider whether Directors have served on the Board for a period that could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the institution.
- e) Candidates must be assessed in accordance with paragraph 2.1 and appointed in accordance with paragraph 2.2.
- f) Directors must be assessed in accordance with paragraph 2.3 before a recommendation is made to shareholders to re-elect the Director.

1.2 Succession planning

With assistance from the People and Culture Committee, the Board is to conduct regular reviews of the composition of the Board and the skills, knowledge and experience on the Board and undertake succession planning, with a view to a progressive and orderly renewal of the Board.

This includes succession planning for the Chair.

2 Director Appointment

2.1 Criteria relevant to the appointment and re-appointment of Directors

The Board policy is to appoint Directors with the appropriate skills, knowledge, experience, and attributes to contribute to the effectiveness of the Board and to provide leadership and contribute to the success of the Group, having regard to the below **Director Appointment Criteria**:

- a) That the majority of Directors must be independent, assessed in accordance with Appendix B – Director Independence.
- b) Whether Directors have served on the Board for a period that could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the Bank.
- c) That the Constitution provides that the maximum number of Directors is twelve and the minimum number of Directors is five.

- d) The collective skills, knowledge, experience, and attributes necessary to deliver the strategy of the Group, including the skills, knowledge and experience as set out in the Board Skills Matrix.
- e) The skills, knowledge, experience, and attributes of current Directors.
- f) Any skills, knowledge, and experience not adequately represented by current Directors in the Board Skills Matrix.
- g) The Group Diversity and Inclusion Policy and a diversity of people across the Board, noting it is recognised that diversity brings different perspectives which promotes better decision-making and more effective Board performance.
- h) That all Directors are expected to demonstrate a commitment to act in accordance with the Group's values, including:
 - (i) sound business judgement;
 - (ii) strategic view;
 - (iii) integrity;
 - (iv) preparedness to question, challenge, and critique; and
 - (v) leadership qualities.
- i) The Renewal and Tenure Policy.

2.2 Procedure for the appointment of Directors

The People and Culture Committee is responsible for:

Selection criteria	Drafting selection criteria for potential Board candidates, having regard to the Director Appointment Criteria.
Search process	Either: <ul style="list-style-type: none"> a) proposing a list of candidates, or b) engaging an external non-executive director search firm to propose a list of candidates.
Selection process	Either: <ul style="list-style-type: none"> a) assessing candidates against: <ul style="list-style-type: none"> (i) the selection criteria; and (ii) the candidate's availability to commit sufficient time to the role; or b) engaging an external non-executive director search firm to assess the candidates. Proposing a list of preferred candidates to the Board. Assisting the Chair or external firm to approach the selected candidates.

In accordance with the Constitution and the law, the Director holds office until the next annual general meeting and is eligible for election at that meeting.

2.3 Procedure for the re-election of Directors retiring by rotation

The People and Culture Committee is responsible for:

- a) Assessing and recommending to the Board whether re-nomination should be made, having regard to the following:
 - (i) the Director Appointment Criteria;
 - (ii) retiring Directors;
 - (iii) Directors seeking re-election; and

- (iv) the statement provided by Directors seeking re-election supporting their re-election.
- b) Providing the outcome of the assessment to the Board.
- c) Ensuring that the outcome of the assessment is included in the notice of meeting at which the retiring Director seeks re-election.

3 Resignation and Removal of Directors

Directors may resign or be removed in accordance with the Constitution and the law.

4 Board Performance Assessment

4.1 Annual assessment

The Board, Board Committees and Directors are assessed annually against the:

- a) Board and Board Committee Charters;
- b) Board Skills Matrix; and
- c) goals and objectives previously set by the Board and Board Committees.

4.1.1 Internal

Board	<ul style="list-style-type: none"> The Chair conducts the annual assessment of the Board with support from the Company Secretary. The Chair provides feedback to the Board. The Board agrees on continuous improvement changes to action. The Company Secretary tracks progress of continuous improvement actions until the Board confirms they can be closed.
Board Chair	<ul style="list-style-type: none"> A Non-Executive Director nominated by the Board conducts an annual assessment of the Chair. The nominated Non-Executive Director provides feedback to the Chair and the Board.
Individual Directors	<ul style="list-style-type: none"> The Chair, on behalf of the Board, conducts reviews with each Director for individual Director performance reviews. The Chair provides feedback to the individual Directors and the Board.
Board Committees	<ul style="list-style-type: none"> The Chair of each Board Committee conducts the annual assessment with support from the Company Secretary. The Committee Chair discusses Committee performance with the members of the Committee. Each Board Committee agrees continuous improvement changes to action. The Committee Chair reports the results of the performance review to the Board. The Board discusses the Committee Chair's report, including the changes that the Committee has agreed for continuous improvement.

- The Company Secretary tracks progress of continuous improvement actions until the Committee confirms they can be closed.

4.1.2 External

An external consultant:

- may be engaged for an annual review; and
- must be engaged, at least every three years.

The external consultant leads the assessments and provides:

- Feedback to:
 - individual Directors on individual Director performance;
 - the Chair on individual Director performance;
 - the Chair on the Chair's performance;
 - the Board on Board performance and Chair performance; and
- A written report summarising the results, issues for discussion, and recommendations for continuous improvement initiatives for consideration by the Board.

4.1.3 Continuous improvement

Areas for continuous improvement identified through an internal or external review and agreed by the Board are to be documented and taken forward for action as agreed, with progress tracked by the Company Secretary.

5 Non-Executive Director Remuneration

5.1 Objectives

The objectives of non-executive Director remuneration are to:

- To attract and retain appropriately qualified and experienced Directors.
- To remunerate Directors fairly having regard to their responsibilities, including providing leadership and guidance to management.
- To build sustainable shareholder value by encouraging a longer-term strategic perspective.

5.2 Components

The aggregate amount of fees the Bank may pay to Non-Executive Directors must not exceed the cap approved by shareholders.

Non-Executive Directors receive a base fee which is reviewed annually with reference to survey data and peer analysis.

The Chair receives a larger annual base fee in recognition of the additional time commitment and responsibilities.

Non-Executive Directors receive additional fees for Board Committee memberships, and additional fees as the Chair for Board Committees.

The Board may decide to pay additional fees for subsidiary or Community Bank National Council appointments.

The Board may resolve to cease or continue remuneration of a Non-Executive Director during a Leave of Absence.

6 Subsidiary Boards

6.1 Appointment

Sandhurst Trustees Limited

With assistance from the People and Culture Committee, the Board is responsible for the appointment of Directors to Sandhurst Trustees Limited.

Other subsidiaries

The CEO is responsible for Director appointments to the other subsidiaries in the Group.

The CEO & MD must apply the Subsidiary Director Criteria when appointing Directors.

6.2 Subsidiary Director Criteria

In making an appointment or nomination, the Board or the CEO & MD (as applicable) will have regard to the following **Subsidiary Director Criteria**:

- a) The collective skills, knowledge, experience and attributes necessary to deliver the business objectives of the subsidiary having regard to the role and relationship of the subsidiary to the Bank, its strategic priorities and any regulatory requirements.
- b) The skills, knowledge, experience and attributes of current Directors.
- c) Any skills, knowledge, and experience not adequately represented by current Directors.
- d) The Group Diversity and Inclusion Policy and the diversity of current Directors.

Appendices

Appendix A – Board Skills Matrix

Skills, knowledge and experience	Description
Leadership	Successful career as a senior executive or CEO
Strategy and Commercial Acumen	Extensive experience in the development of strategy and oversight of implementation, and experience in that position in managing the business through periods of significant change
Customers and Community	Experience in developing and overseeing the embedding of a strong customer-focused culture in large complex organisations, and a demonstrable commitment to achieving customer outcomes
Industry Experience	Senior executive management experience in significant components of the banking and financial services industry such as retail banking, funds management and superannuation
Social and Environmental	Experience in managing the potential risks and opportunities from an environmental and social perspective
People and Culture	Strong, proven, and extensive experience in overseeing and assessing senior management, remuneration frameworks, workplace health and safety and strategic people management
Governance, Risk & Compliance	<p>Knowledge and experience in sophisticated governance structures and commitment to high standards of corporate governance</p> <p>In-depth, demonstrated, and senior high-level ability to anticipate, recognise and manage risks (including regulatory, financial, and non-financial risks). Experience in embedding risk culture, risk management strategy and framework, and monitoring the effectiveness of controls</p>
Regulatory and Government Policy	Experience in building and maintaining trusted and collaborative relationships with shareholders, government, regulators, and community partners
Financial Acumen	Experience with financial reporting requirements, prudent capital and balance sheet management, accounting standards, tax requirements and careful management of margin.
Technology	Experience in information technology systems architecture, strategy, oversight of information security systems and managing technology risk and governance.
Digital and Innovation	Experience in digital channels, developing digital strategy and innovative thinking in terms of the sale of products and services through the digital channel.

Appendix B – Director Independence

Assessment

An independent director is a Non-Executive Director who is free from any interest, position, or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring independent judgment to bear on issues before the Board.¹

All Bank directors are expected to bring independent and unfettered judgement to Board deliberations.

The Board will have regard to the following assessment criteria in considering if a director should be characterised as an Independent Director.

Criteria

A Director is only considered to be Independent if it is determined that:

- a) The Director is independent under the ASX Corporate Governance Principles and Recommendations and *Prudential Standard CPS 510 Governance*.
- b) The Director is not, and within the last three years has not been, a partner, Director or senior employee of a provider of material professional services to any member of the Group, or a material consultant to the Bank or another Group member.
- c) The Director has not been employed in an executive capacity by any member of the Group within the last three years.
- d) The Director is not a substantial shareholder, is not associated with a substantial shareholder, and is not and has not been within the last three years an officer or employee of, or professional adviser to, a substantial shareholder (i.e. hold a relevant interest in 5% or more of the voting shares in BEN).
- e) The Director has not been a Director of the Bank for such a period that his or her independence may have been compromised.
- f) The Director does not have close personal ties with any person who cannot satisfy any of the above criteria.
- g) The Director has no other interest that might influence, or could reasonably be perceived to influence, the exercise of their independent judgement and ability to act in the best interests of the Group.

Timing of Assessment

Independence is to be assessed:

- a) before appointment;
- a) annually; and
- b) whenever an independent Director's circumstances change in a manner that may affect their status as an independent Director.

Materiality

The Board will consider thresholds of materiality in determining the independence of directors on a case-by-case basis, having regard to quantitative and qualitative principles. Without limiting the Board's discretion in this regard, the Board adopts the following guidelines:

- a) The Board will determine the appropriate base to apply (e.g. revenue, equity or expenses), in the context of each situation.
- b) The Board will generally consider an affiliation with the business that accounts for less than 5% of the relevant base to be immaterial for the purposes of determining independence; excess of the threshold will be reviewed by the Board.
- c) Overriding the quantitative assessment is a qualitative assessment.

¹ ASX CGPR Recommendation 2.3

APRA Guidance

If there is doubt regarding a director's independence, the matter will be referred to APRA for guidance.

Appendix C – Roles and Responsibilities Matrix

Key: R =Responsible, A=Accountable, S=Supporting, C=Consulting, I=Informed)

Activity	1LOD		3LOD	Other		
	Company Secretary	CEO & MD	GM, Group Internal Audit	Chair	PCC	Board
Implementation of the Board Policy requirements	R			C	S	A
Board Policy Review	R			C	S	A
Periodical assurance of the Board Policy	S		R	C		A
Board Assessments	R	I		C	C	A
Succession Planning	S	I		C	R	A
Director Appointments	S	C		C	R	A
Subsidiary Director Appointments	S	R / A				A / R
Assessments of Director Independence	S					A