

Policy

Board Policy

Corporate Secretariat

Version 1.9

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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, joint venture and alliance Boards

APPLICATION

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

INTERPRETATION

Appointment Criteria	The criteria relevant to the appointment and re-appointment of Directors in paragraph 2.1
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 <i>Bendigo and Adelaide Bank Limited</i> .
Group	Bendigo and Adelaide Bank Limited and its controlled entities
Renewal and Tenure Policy	The renewal and tenure policy in paragraph 1.1
Subsidiary Director Criteria	The criteria set out in paragraph 6.2

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 policy on renewal and tenure is:

- a) Board members should have a mix of tenure, for ongoing renewal and to avoid a number of 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.

(Renewal and Tenure Policy).

1.2 Succession planning

With assistance from the People, Culture and Transformation 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:

- a) That the majority of Directors must be independent, assessed in accordance with Appendix B – Director Independence.
- b) Whether Directors have served on 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 Board Composition requirements as set out in the Board Charter.
- e) 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.
- f) The skills, knowledge, experience and attributes of current Directors.
- g) Any skills, knowledge and experience not adequately represented by current Directors.
- h) The Group diversity framework and policy and the diversity of the current Board. It is recognised that the different perspectives diversity brings promotes better decision-making and more effective Board performance.
- i) That all Directors are expected to demonstrate:
 - (i) sound business judgment;
 - (ii) strategic view;
 - (iii) integrity;
 - (iv) preparedness to question, challenge and critique; and
 - (v) leadership qualities.
- j) The Renewal and Tenure Policy.

(Appointment Criteria).

2.2 Procedure for the appointment of Directors

The People, Culture and Transformation Committee is responsible for:

Selection criteria	Drafting selection criteria for potential Board candidates, having regard to the Criteria.
Search process	Either: a) proposing a list of candidates, or b) engaging an executive search firm to propose a list of candidates.
Selection process	Either: a) assessing candidates against: (i) the selection criteria; and (ii) the candidate's availability to commit sufficient time to the role; or b) engaging an external search firm to assess the candidates. Proposing a list of preferred candidates to the Board Assisting the Chair or external search 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, Culture and Transformation Committee is responsible for:

- a) Assessing and recommending to the Board whether to re-nomination should be made, having regard to the following:
 - (i) The Appointment Criteria.
 - (ii) Retiring Directors.
 - (iii) Directors seeking re-election.
 - (iv) The statement provided by the Director 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 to be 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	The Chair conducts the annual assessment of the Board. The Chair provides feedback to the Board.
Board Chair	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	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	The Chair of each Committee 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 Committee tracks its continuous improvement progress by: a) reporting quarterly to the Committee; and b) giving written progress updates to the Company Secretary following discussion with the Committee Chair.
APRA Regulated Subsidiary Boards	Subsidiary Boards that are subject to the prudential regulatory requirements of APRA are responsible for conducting annual performance reviews of the Board and Directors.

4.1.2 External

An external consultant:

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

The external consultant leads the assessments and provides:

- a) Feedback to:
 - (i) individual Directors on individual Director performance;
 - (ii) the Chair on individual Director performance;
 - (iii) the Chair on the Chair's performance;
 - (iv) the Board on Board performance and Chair performance.
- b) 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 quarterly through Secretariat reports.

5 NON-EXECUTIVE DIRECTOR REMUNERATION

5.1 Objectives

The objectives of non-executive Director remuneration are to:

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

5.2 Components

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, joint venture and alliance appointments.

6 SUBSIDIARY, JOINT VENTURE AND ALLIANCE BOARDS

6.1 Appointment

<p>APRA regulated subsidiaries</p>	<p>With assistance from the People, Culture and Transformation Committee, the Board is responsible for the appointment of Directors to the Boards of APRA-regulated subsidiaries.</p> <p>The Board must apply the Subsidiary Director Criteria when appointing Directors.</p> <p>The term of appointment is at the discretion of the Board.</p>
<p>Non-APRA regulated subsidiaries</p>	<p>The CEO & MD is responsible for Executive Director appointments to:</p> <ul style="list-style-type: none"> a) non-APRA regulated subsidiaries; and b) any Directors appointed by the Bank to joint ventures and alliances. <p>The CEO & MD must apply the Subsidiary Director Criteria when appointing Directors.</p>

6.2 Subsidiary Director Criteria

In making an appointment or nomination, the Board or the CEO & MD (as applicable) has regard to the following:

- a) The collective skills, knowledge, experience and attributes necessary to deliver the business objectives of the subsidiary, joint venture or alliance, having regard to the role and relationship of the subsidiary, joint venture or alliance 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 Board or CEO & MD also take into account diversity of thinking.
- e) The Board Delegation Policy.

GOVERNANCE

RESPONSIBILITIES

Role	Responsibility
Company Secretary	The Company Secretary is responsible for assisting the Chair and Board in implementing the requirements set out in this policy.

Role	Responsibility
People, Culture and Transformation Committee	<p>The People, Culture and Transformation Committee is responsible for making recommendations to the Board for decision on the above, including:</p> <ul style="list-style-type: none"> • Board appointments and the re-election of Directors. • APRA-regulated subsidiary Board appointments. • Performance assessment. • Non-Executive Director remuneration.
Group Internal Audit	Group Internal Audit will review the Group's execution of this policy on a periodic basis, in line with its Strategic Audit Plan as approved by the Group's Board Audit Committee.
CEO & MD	The CEO & MD appoints Directors of non-APRA-regulated subsidiaries and any Directors appointed by the Bank for joint ventures and alliances.
Board	The Board is responsible for reviewing and deciding on the matters referred by the People, Culture and Transformation Committee as specified in this policy.

DOCUMENT OWNER

Corporate Secretariat

ACCOUNTABLE PERSON

This Policy is owned by the following Accountable Person.

Name	Title
Each Director	Director

APPROVAL

Responsibility	Party
Reviewed by	Corporate Secretariat
Recommended by	Executive
Approved by	Board This policy is required under CPS 510.45

REVIEW

This Policy will be reviewed annually, unless required by legislative, industry or market developments.

RELATED DOCUMENTS

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

- Banking Executive Accountability Regime Policy
- Board Charter
- Board Committee Charters
- Committee Procedural Rules
- Responsible Person Policy
- Board Disclosure of Interest and Conflict of Interest Policy and Procedures

DOCUMENT CONTROL TABLE

Version No.	Approved by:	Date approved:	Date applicable:	Next review date:	Document owner:
1.1	Board	March 2010	March 2010	2011	Secretariat
1.2	Board	March 2011	March 2011	2013	Secretariat
1.3	Board	December 2013	December 2013	2014	Secretariat
1.4	Board	April 2014	April 2014	2015	Secretariat
1.5	Board	July 2015	July 2015	2017	Secretariat
1.6	Board	May 2017	May 2017	2018	Secretariat
1.7	Board	May 2018	May 2018	2020	Secretariat
1.8	Board	May 2019	May 2019	2020	Secretariat
1.9	Board	31 January 2023	31 January 2023	2025	Corporate Secretariat

APPENDICES

APPENDIX A – BOARD SKILLS MATRIX

Skills, knowledge and experience	Description
Executive 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
Social and environmental	Experience in managing the potential risks and opportunities from an environmental and social perspective
Shareholders, Government and other stakeholders	Experience in building and maintaining trusted and collaborative relationships with shareholders, government, regulators and community partners
Risk management	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
Corporate governance	Knowledge and experience in sophisticated governance structures and commitment to high standards of corporate governance
People, Culture and workplace health and safety	Strong, proven and extensive experience in overseeing and assessing senior management, remuneration frameworks, workplace health and safety and strategic people management
Technology, Digital and innovation	Expert and proven high level experience in information technology systems, digital channels and information security or experience in technology governance of a significant business
Banking and financial services	Senior executive management experience in significant components of the banking and financial services industry such as retail banking, funds management and superannuation
Customer 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

APPENDIX B – DIRECTOR INDEPENDENCE

1 DEFINITION

For the purpose of the ASX Corporate Governance Principles and Recommendations 2019:

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 an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party. For the purpose Prudential Standard CPS 510 Governance:

For the purposes of this Prudential Standard, an 'independent director' is a non-executive director who is free from any business or other association – including those arising out of a substantial shareholding, involvement in past management or as a supplier, customer or adviser – that could materially interfere with the exercise of their independent judgement. The circumstances that will not meet this test of independence include, but are not limited to, those set out in Attachment A.

2 ASSESSMENT

2.1 Timing of assessment

Independence is to be assessed:

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

2.2 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 or a material consultant to the Bank or another Group member.
- c) The Director has not been a Director of the Bank for such a period that his or her independence may have been compromised.

2.3 APRA guidance

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