

# Board Charter

15 March 2024

## PURPOSE

- 1) This Board Charter (**Charter**) sets out the role, responsibilities, structure and processes of the Board of Westpac Banking Corporation (**Westpac**) (**Board**).

## ROLE AND RESPONSIBILITIES

- 2) The role of the Board is to provide leadership and strategic guidance for Westpac and its related bodies corporate (**Westpac Group**) in addition to overseeing the sound and prudent management of the Westpac Group and management's implementation of Westpac's strategic initiatives. The Board is accountable to security holders for the performance of the Westpac Group's businesses. In performing its role, the Board aspires to excellence in governance standards.
- 3) This requires the Board to work as a team and meet on a regular basis.
- 4) The key responsibilities of the Board are as follows:
  - a) Approving, and overseeing management's implementation of, the strategic direction of the Westpac Group, its business plan and significant corporate strategic initiatives.
  - b) Approving Westpac's annual targets and financial statements and monitoring financial performance of the Westpac Group against forecast and prior periods.
  - c) Determining dividend policy and the amount, nature and timing of dividends to be paid.
  - d) Considering and approving the Westpac Group's overall risk management framework for managing financial and non-financial risks.
  - e) Approving the Westpac Group's Risk Management Framework, Risk Management Strategy and Board Risk Appetite Statement, and monitoring the effectiveness of risk management by the Westpac Group, including:

- satisfying itself through appropriate reporting and oversight that appropriate internal control mechanisms are in place and are being implemented in accordance with regulatory requirements;
  - satisfying itself that policies and processes are developed for risk-taking that are consistent with the Westpac Group's Risk Management Framework, Risk Management Strategy and Board Risk Appetite Statement;
  - satisfying itself that management is monitoring and managing all material risks consistent with the Westpac Group's strategic objectives, the Board Risk Appetite Statement and policies approved by the Board; and
  - satisfying itself that the operational structure of the Westpac Group facilitates effective risk management.
- f) Forming a view of the risk culture within the Westpac Group and the extent to which that supports the ability of the Westpac Group to operate consistently within the Board Risk Appetite Statement and oversee the identification of, and steps taken to address, any desirable changes to risk culture.
- g) Approving policies and frameworks required to be approved by the Board.
- h) Making an annual declaration to the Australian Prudential Regulation Authority (**APRA**) on risk management in accordance with regulatory requirements.
- i) Assessing and determining whether to accept risks beyond the approval discretion provided to management.
- j) Maintaining an ongoing dialogue with Westpac's external auditors and, where appropriate, principal regulators, to provide reasonable assurance of compliance with all regulatory requirements.
- k) Considering the social, ethical and environmental impact of the Westpac Group's activities, setting standards and monitoring compliance with Westpac's sustainability policies and practices.
- l) Approving the appointment and termination of the external auditor (including associated recommendations to shareholders for approval).
- m) Receiving recommendations from the Board Remuneration Committee (**BRC**) and reviewing and approving Non-executive Directors' Board and Committee fees, including fees for Westpac Non-executive Directors appointed to Westpac Group subsidiaries, subject to the Board fee pool approved by shareholders.
- n) Selecting, appointing and determining terms of appointment of the Chief Executive Officer (**CEO**) and Chief Financial Officer.
- o) Determining the corporate goals and objectives relevant to the remuneration of the CEO and evaluating the performance of the CEO in light of these objectives.
- p) Receiving recommendations from the BRC and approving, on an individual or cohort basis in accordance with the Group Remuneration Policy, the remuneration arrangements and variable remuneration outcomes (including long-term and short-term

incentive targets and outcomes) and adjustments for members of executive management (**Group Executives**), any other employees who are accountable persons under the Financial Accountability Regime, any person performing a role specified by APRA and any other person the Board determines.

- q) Approving the appointment of Group Executives, the General Manager Group Audit and any other person the Board determines and monitoring the performance of Group Executives.
- r) Approving the Westpac Group's Remuneration Policy.
- s) Approving adjustments to variable remuneration in accordance with the Westpac Group's Remuneration Policy.
- t) Approving the size of variable reward pools as part of the Westpac Group's annual plan based on consideration of pre-determined business performance indicators and the financial soundness of the Westpac Group.
- u) Providing oversight and monitoring of Workplace, Health and Safety (**WHS**) issues in the Westpac Group and considering appropriate WHS reports and information.
- v) Approving Part A of the Anti-Money Laundering and Counter-Terrorism Financing Program.
- w) Overseeing culture across the Group, by setting the tone from the top, approving Westpac Group's Code of Conduct and Values and receiving reporting on the Group's culture.
- x) Reviewing succession planning for the CEO, Group Executives, General Manager, Group Audit and any other person the Board determines, taking into account the challenges and opportunities facing the Westpac Group and the skills and expertise that are needed in the future.
- y) Providing oversight of the implementation of the Westpac Group's technology strategy.
- z) Approving the Internal Capital Adequacy Assessment Process, including reviewing Group stress testing outcomes/scenarios, and approving recovery and resolution plans.

## **ROLE AND DELEGATION TO MANAGEMENT**

- 5) The CEO is responsible for the development of strategic objectives for the business and the achievement of the planned results for the Westpac Group.
- 6) Management of the Westpac Group's day to day operations is undertaken by the CEO, subject to specified delegations of authority approved by the Board.
- 7) Any matters or transactions outside the delegations of authority must be referred to the appropriate Westpac Group Board or Committee for approval.

## **BOARD SIZE AND COMPOSITION**

- 8) The Board is responsible for:
  - a) appointing Directors to fill casual vacancies on the Board;

- b) making recommendations to Westpac's shareholders for the appointment or removal of Directors; and
  - c) approving the Board Renewal Policy.
- 9) The Board will comprise a majority of independent Non-executive Directors, a majority of whom are ordinarily resident in Australia.
  - 10) The size of the Board will be determined in accordance with Westpac's Constitution.
  - 11) Collectively, the Board members should have a broad range of financial and other skills, experience and knowledge necessary to guide the business of the Westpac Group.
  - 12) The Board will determine and regularly review the composition of the Board having regard to the optimum number and skill mix of Directors, subject to the limits imposed by Westpac's Constitution and the terms served by existing Non-executive Directors.
  - 13) Non-executive Directors will be engaged through a letter of appointment.

#### CHAIRMAN

- 14) The Board will appoint one of its members to be the Chairman in accordance with Westpac's Constitution.
- 15) The Chairman represents the Board to the shareholders and communicates the Board's position.
- 16) The Chairman must be an independent Non-executive Director.
- 17) The Chairman cannot have been the CEO of Westpac at any time during the previous three years.

#### COMPANY SECRETARY

- 18) The Company Secretary is responsible for the co-ordination of all Board business, including agendas, board papers, minutes, communication with securities exchanges and all statutory and other filings. The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.
- 19) The Board will appoint at least one Company Secretary. Appointment and removal of a Company Secretary will be subject to Board approval.
- 20) All Directors shall have direct access to the Company Secretary.

#### BOARD COMMITTEES

- 21) The Board has established Committees to assist the Board in exercising its authority, including the responsibilities set out in paragraph 4.
- 22) The standing Board Committees are:
  - a) Board Audit Committee;
  - b) Board Risk Committee;

- c) Board Nominations & Governance Committee; and
  - d) Board Remuneration Committee.
- 23) The Board may establish ad hoc Board Committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.
- 24) The Board will approve the charters of standing Board Committees, which will set out the roles and responsibilities of each Committee.
- 25) The Board will determine the membership and composition of Board Committees, having regard to workload, skills and experience and any regulatory requirements.

## BOARD MEETINGS

- 26) The Chairman is responsible, in consultation with the CEO and the Company Secretary, for the conduct of all Board meetings. This includes being satisfied that the agendas are comprehensive, that all agenda items and attendees are appropriate and that recommendations fit within the broad strategic direction set by the Board.
- 27) Group Executives are available to be contacted by Directors between meetings. The Board may request any officer or employee of the Westpac Group, external legal counsel or any person or group with relevant experience or expertise to attend meetings of the Board or to meet with any members or consultants to the Board.
- 28) The Board will regularly meet without executive management (other than the CEO), including at the conclusion of each meeting.
- 29) Non-executive Directors will regularly meet without Executive Directors or other management representatives present, including at the conclusion of each meeting.
- 30) The Chairman and other members of the Board will be available to meet with the APRA and other regulators on request.
- 31) Where approvals are granted outside a meeting of the Board, a report is to be provided to the next meeting of the Board.

## DIRECTOR INDEPENDENCE

- 32) The Board has adopted a definition of independence setting out the interests and relationships to be considered by the Board in assessing the independence of each Director.
- 33) The Board assesses independence of Directors upon appointment and annually through an attestation by each Director.
- 34) The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chairman, or in the Chairman's absence, the Board.

## BOARD PERFORMANCE

- 35) The Board will undertake ongoing assessment and review of performance of the Board, its Committees and individual Directors annually.

## EXPECTATIONS OF DIRECTORS

- 36) Board members are expected to observe the highest standards of ethical behaviour.
- 37) The Board supports and encourages policies within the Westpac Group which require Directors and employees to observe high standards of personal integrity and display honesty in their dealings.
- 38) Board members are expected to comply with Westpac Group policies that apply to directors.

## CONFLICTS OF INTEREST

- 39) Directors are expected to avoid any action, position or interest that conflicts with an interest of the Westpac Group, or gives the appearance of a conflict.
- 40) A Director that has a material personal interest in a matter that relates to the affairs of the Westpac Group must give the other Directors notice of such interest.
- 41) The Company Secretary will maintain a register of dealings in securities and declarations of interest by Directors and report them to the Board as necessary.

## REVIEW OF CHARTERS

- 42) Board and Committee Charters will be reviewed every two years or as required.

## DOCUMENT CHANGE HISTORY

Version Number	Conducted by	Approved by	Date	Description of changes
1	Board	Board	15 July 2010	Annual Review – minor amendments made
2	Board	Board	10 August 2011	Annual Review – minor amendments made
3	Board	Board	21 August 2012	Annual Review – minor amendments made.
4	Board	Board	8 July 2014	Biennial Review – amendments made to comply with regulatory and governance requirements.
5	Board	Board	10 December 2015	Annual Review – amendments made to comply with regulatory and governance requirements.
6	Board	Board	3 August 2017	Biennial Review – amendments made to comply with regulatory and governance requirements.
7	Board	Board	2 August 2018	Biennial Review – amendments made to reflect regulatory change (for example, the Banking Executive Accountability Regime) and minor changes to reflect current practice.
8	Board	Board	28 September 2018	Out of Cycle Review – amendment of references to ‘risk culture’ to clarify the Role of the Board and the Role of Management.
9	Board	Board	1 December 2019	Annual Review – amendments made to comply with regulatory and governance requirements.
10	Board	Board	29 June 2020	Annual Review – amendments made to comply with regulatory and governance requirements, delegations to Board Committees and changes to reflect updated Board and Board Committee practices.
11	Board	Board	1 December 2021	Out of Cycle Review – minor amendments made, including to reflect revised delegations to Board Committees.
12	Board	Board	12 August 2022	Biennial Review – amendments made to reflect updates to the Board Committee structure and regulatory and governance requirements.
13	Board	Board	1 July 2023	Out of Cycle Review – amendment made to reflect revised delegations to the Board Risk Committee in relation to the ICAAP, stress testing and recovery and resolution plans.
14	Board	Board	15 March 2024	Out of Cycle Review – minor amendments made to reflect regulatory change (the Financial Accountability Regime) and to reflect current practice.