

Board Legal, Regulatory & Compliance Committee Charter

1 June 2020

PURPOSE

- 1) Westpac Banking Corporation (**Westpac**) Board Legal, Regulatory & Compliance Committee (**Committee**), as a sub-committee of the Board Risk Committee (**Risk Committee**), will assist the Risk Committee of Westpac as it oversees:
 - (a) material legal and regulatory change relevant to the Westpac Group;
 - (b) the Westpac Group's management of:
 - (i) material litigation (including class actions) and regulatory investigations involving the Westpac Group;
 - (ii) compliance;
 - (iii) conduct risk;
 - (iv) financial crime risk;
 - (v) customer remediation activities and customer complaints; and
 - (vi) such other operational risk activities as are delegated to the Committee by the Risk Committee.
- 2) The Committee will primarily fulfil these responsibilities by carrying out the activities outlined in the Responsibilities and Duties section of this Charter.
- 3) The Committee has free and unfettered access to senior management, risk and financial control personnel in carrying out its duties.

COMPOSITION

- 4) The Committee membership and the Chairman of the Committee will be as determined from time to time by the Board. The Chairman of the Committee must be an independent Director and not the Chairman of the Board. The Committee will consist of at least three Directors, all

of whom must be non-executive Directors and the majority of the members of the Committee must be independent.

- 5) The Committee must include the Chair of the Risk Committee as a member.
- 6) Should the Chairman of the Committee be absent from a meeting, the members of the Committee present will appoint a Chairman for that particular meeting.

MEETINGS

- 7) The Committee will meet at least six times annually or more frequently if necessary.
- 8) The Committee may request any officer or employee of the Westpac Group, external legal counsel, the external auditor or any person or group with relevant experience or expertise to attend meetings of the Committee or to meet with any members of, or consultants to, the Committee.
- 9) Other Directors of the Board are entitled to attend Committee meetings and will receive copies of the Committee papers on request.
- 10) A quorum for any meeting will be two members. The Secretary of the Committee (**Secretary**) will be the Company Secretary or his or her designated representative.
- 11) The agenda and supporting documentation will be circulated to the Committee members within a reasonable period in advance of each meeting. The Secretary will circulate minutes of meetings to members of the Committee and the Board.
- 12) Where approvals are granted outside a meeting of the Committee, a report is to be provided to the next meeting of the Committee.
- 13) The Committee may adopt any rules and regulations considered appropriate for the conduct of its affairs, provided that they are consistent with the Westpac Constitution, the Westpac Board Charter, this Charter (as amended from time to time), or any resolution of the Board.

REPORTING AND INTERACTION WITH OTHER BOARD COMMITTEES

- 14) The Chairman of the Committee will update the Board and the Risk Committee about Committee activities. The minutes of each Committee meeting will be tabled at the next Board and Risk Committee meetings.
- 15) The Committee will refer to the Board and any other Board Committee (as appropriate) any matters that have come to the attention of the Committee that are relevant for the Board or the respective Board Committee, including any matters that have come to the attention of the Committee that are relevant to the Board Remuneration Committee's or the Board's consideration in recommending or approving risk-adjusted remuneration outcomes for persons within the remit of the Board Remuneration Committee or the Board.
- 16) The Committee will provide relevant periodic assurances and reports (as appropriate) to the Risk Committee and the Board Audit Committee.
- 17) The Risk Committee maintains overall responsibility for overseeing matters relating to material legal and regulatory change relevant to the Westpac Group, material litigation

(including class actions) and regulatory investigations involving the Westpac Group, compliance, conduct risk, financial crime risk, customer remediation activities and customer complaints within Westpac Group and such other operational risk activities as are delegated to the Committee by the Risk Committee and matters considered by the Committee will be reported to the Risk Committee and Board Audit Committee, as appropriate. The Committee will assist the Risk Committee in performing its role as the Westpac Group's US Risk Committee by sharing information and providing reports relating to matters that have come to the attention of the Committee that the Committee considers relevant to the key risks, risk management framework and policies of Westpac Group US operations and the annual certification to the Federal Reserve required under section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

RESPONSIBILITIES AND DUTIES

Without limiting its role, to fulfil its responsibilities and duties, the Committee will:

Legal and regulatory matters

- 18) Oversee material legal and regulatory change relevant to the Westpac Group (excluding matters relating to Capital, Stress testing, Model, Credit, Market and Liquidity risks).
- 19) Oversee the management of material litigation (including class actions) and regulatory investigations involving the Westpac Group and associated remediation activities (excluding matters relating to Capital, Stress testing, Model, Credit, Market and Liquidity risks).

Conduct

- 20) Review the Westpac Group's approach to the management of conduct risk.
- 21) Review the monitoring of the Westpac Group's conduct risk performance and controls.
- 22) Review and recommend the Westpac Group's Code of Conduct to the Board for approval and receive information regarding material breaches of the Code of Conduct.

Compliance

- 23) Review and approve the Westpac Group Compliance and Conduct Risk Management Framework.
- 24) Review the compliance processes that are in place to anticipate and effectively manage the impact of regulatory change on the Westpac Group's operations.
- 25) Review compliance by the Westpac Group with applicable laws, regulations and regulatory requirements that may impact the Westpac Group's risk profile.
- 26) Discuss with management and the external auditor (where appropriate) any correspondence with regulators or government agencies and any published reports that raise issues material to the Westpac Group.
- 27) In relation to the policies and procedures for the receipt, retention and treatment of information submitted confidentially by employees and third parties about accounting, internal control, compliance, audit, or other matters about which an employee has concerns,

receive periodic updates on the matters that are being reported and, in conjunction with the Board Audit Committee, monitor employee awareness of these policies and procedures including reviewing any material incidents reported under the Westpac Group Speaking Up Policy.

Financial Crime

- 28) Review and approve the Westpac Group's approach to the management of financial crime risk, including the Westpac Group Financial Crime Risk Management Framework and key policies and standards supporting the Westpac Group Financial Crime Risk Management Framework, including receiving information regarding material breaches of the Westpac Group Anti-Bribery and Corruption Policy.
- 29) Review and recommend Part A of Westpac Group's Anti-Money Laundering and Counter-Terrorism Financing Program to the Board for approval.
- 30) Review the monitoring of Westpac Group's financial crime risk performance and controls.
- 31) Oversee the:
 - (a) implementation of Westpac Group's Financial Crime Strategic Plan, as supplemented (where appropriate) by the Response Plan announced on 24 November 2019 (together, the Plan); and
 - (b) program of work set up to implement aspects of the Plan (the Program) and the rigour, thoroughness and general appropriateness of the Program and its implementation.
- 32) Review reports from external experts to the Committee and make any recommendations to the Board or Risk Committee as the Committee considers necessary.

Customer

- 33) Oversee Westpac Group's approach to customer remediation activities, including approving the Westpac Group Customer Remediation Policy, and the management of customer complaints.

Operational Risk

- 34) Oversee operational risk activities as delegated to the Committee by the Risk Committee.

Other responsibilities

- 35) Oversee that sufficient resources and skills are dedicated to the activities overseen by the Committee.
- 36) The Committee will also have such other duties and responsibilities as the Board or Risk Committee may delegate to it from time to time.
- 37) Review any relevant issues raised by Group Audit relating to material legal and regulatory change relevant to the Westpac Group, material litigation (including class actions) and regulatory investigations involving the Westpac Group, compliance, conduct risk, financial

crime risk, customer remediation activities and customer complaints and such other operational risk activities as are delegated to the Committee, as part of Group Audit's annual plan.

- 38) Receive and review reports as required by regulation.
- 39) Review and update the Charter at least every two years and recommend changes to the Board for approval. Review its own performance as part of the annual Board evaluation process and report such findings to the Board.
- 40) Retain independent legal, accounting, or other advisors to the extent the Committee considers necessary.
- 41) Members of the Committee will be available to meet with APRA and other regulators on request.

Delegation to act

- 42) The Committee may, in its discretion, delegate some or all of its duties and responsibilities to the Chairman of the Committee or the Chairman of the Board and may delegate any of its duties and responsibilities to a sub-committee of the Committee.

DOCUMENT CHANGE HISTORY

Version Number	Conducted by	Approved by	Date	Description of changes
1	Board	Board & Board Risk Committee	1 June 2020	Creation of Committee and approval of this Charter by the Board and Board Risk Committee.