

Westpac Independence Definition

The following definition of 'Independent director' was adopted by the Westpac Board and is effective from 7 November 2022.

A Westpac independent director is independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment, who acts in the best interests of Westpac as a whole, rather than the interests of an individual shareholder or other party. The Board must affirmatively determine that a director is independent.

The Board will consider and determine whether each director can be regarded as an independent director. In assessing independence, the Board will consider if the director has a business or other relationship with Westpac, either directly, or as a partner, shareholder or officer of a company or other entity that has an interest or a business or other relationship with Westpac or another Westpac group member.

In assessing independence, the Board will have regard to whether the director or an immediate family member¹ has, or has had, any of the following relationships:

1. within the last three years, been a substantial shareholder² of Westpac or an officer of, or otherwise associated with, a substantial shareholder of Westpac including representing or being an employee of, or professional adviser to, a substantial shareholder;
2. within the last three years, employment in an executive capacity by Westpac or another Westpac Group member, or been a director of Westpac after ceasing employment with Westpac;
3. receives performance-based remuneration from, or participates in an employee incentive scheme of, Westpac;
4. within the last three years, been a principal of a material professional adviser or a material consultant to Westpac or another Westpac Group member, or an employee or officer of such adviser or consultant or has otherwise been associated with the service provided or the person providing such service;
5. within the last three years, a present or former affiliation with or employment by a present or former internal or external auditor of Westpac or another Westpac group member who has worked on the Westpac (or Westpac Group member) audit;
6. within the last three years, employment by any entity while that entity had an executive officer of Westpac or another Westpac Group member on its compensation committee;
7. a material supplier or material customer³ of Westpac or another Westpac Group member, or an officer of or otherwise associated with a material supplier or material customer of Westpac or any other Westpac Group member;
8. a material contractual relationship³ with Westpac or another Westpac Group member other than as a Director or Committee member of Westpac or another Westpac Group member;

¹ The meaning of "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than employees of Westpac or a Westpac group member) who shares such person's home.

² The meaning of "substantial shareholder" is a person that has a substantial holding as that term is defined in section 9 of the Corporations Act.

³ The Board will apply materiality thresholds of \$190,000 (for individual Directors) and 2% of Westpac's consolidated gross revenues (for entities with which Directors have a commercial association).

9. has served on the Board of Westpac or of another Westpac Group member for a period in excess of 12 years⁴ and having regard to all the circumstances such a term could, or could reasonably be perceived to, compromise their independence from management and substantial shareholders; or
10. has an interest or a business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Westpac (including close personal ties⁵ with any person who falls within any of the categories described above).

⁴ With the Board regularly assessing independence of Directors who have served for more than 10 years.

⁵ "Close personal ties" may be based on family, friendship or other social or business connections.

