

Westpac Director Appointment & Renewal Policy



1) Application

This policy applies to the Westpac Banking Corporation Board (the **Board**).

2) Background

The Board, with the assistance of the Board Nominations and Governance Committee (**BNGC**), oversees Director appointment and election, and Board renewal. Westpac seeks to maintain a Board with a broad range of experience, skills, diversity and tenure, to ensure it retains adequate expertise and remains open to new ideas and independent thinking.

3) Appointment of New Directors to the Board

a. Constitutional requirements

Westpac's Constitution states that the Board may appoint a new Director either to fill a casual vacancy or as an addition to the existing Board.

Except for the CEO, a Director appointed to the Board holds office only until the close of the next Annual General Meeting (**AGM**) but is eligible for election by shareholders at that AGM.

b. Consideration of candidates

Under its Charter, the BNGC is responsible for considering succession planning for Non-executive Directors and making recommendations to the Board on candidates for appointment as Directors.

External consultants may from time to time be used to identify and access a wide base of potential Directors.

A broad range of criteria are considered when identifying and recommending candidates for appointment, including:

- the candidate's background, experience and professional skills;
- the mix of skills, experience, expertise, diversity, tenure, independence, and other qualities of existing Directors, and how the candidate's attributes will balance and complement those skills and qualities and address any potential skills gaps in relation to the Board's current and future composition;
- the results of the Board performance evaluation conducted during the year;
- whether the candidate will be an independent or non-independent director; and
- applicable regulatory requirements, such as satisfaction of Fit and Proper person requirements and Banking Executive and Accountability Regime requirements.

c. Appointment process

The appointment process for new Directors includes:

- the new Director receiving an induction pack, which includes a letter of appointment setting out the expectations of the role, the terms and conditions of appointment, the expected term of the appointment and the associated remuneration;
- participating in an induction program to familiarise themselves with Westpac's business and strategy, culture and values and any current issues before the Board/Board Committees. The induction program includes an opportunity to review key documents and meet with a range of representatives from the organisation, including the Chairman, the CEO, the Board Committee Chairs and each Group Executive.

Following appointment and induction, Directors continue their education and training by participating in workshops held throughout the year, attending relevant site visits and undertaking relevant external education.

Each Non-executive Director (other than the Chairman) is required to hold an interest in shares in Westpac with a value not less than the Board base fee, within five years of appointment to the Board. The Chairman is required to hold an interest in shares in Westpac with a value not less than the Chairman's fee, within five years of appointment as Chairman.

4) Board Renewal and Director election/re-election

a. Constitution requirements

Westpac's Constitution provides that a Director (except for the CEO) must not hold office (without re-election) past the third AGM or for more than three years, whichever is longer. A Director who has been appointed by the Board (as contemplated in section 3 above) holds office only until the conclusion of the next AGM. However, retiring Directors are, subject to the tenure provisions set out below in section 5 of this policy, eligible to stand for re-election at the AGM.

In addition, and in accordance with Westpac's Constitution and the ASX Listing Rules, at least one Director must stand for election or re-election at each AGM. This requirement can be satisfied by a person standing for election as a new Director; a Director who has been appointed to fill a casual vacancy seeking election; or a Director seeking re-election because of the term limitation (referred to above). If there are no such Directors required to stand for election or re-election at the AGM, and no Director volunteers to stand for re-election, the Director who has served the longest in office since their last election or re-election must retire and stand for re-election. The CEO is not required to stand for re-election.

b. Recommending candidates to shareholders for election/re-election

The BNGC is responsible for reviewing and, if thought fit, recommending to the Board the election/re-election of Directors. As part of this review, the BNGC Chairman will oversee a peer review of these Directors during the year in which that Director will become eligible for re-election.

Where a Director is seeking election or re-election, Westpac provides shareholders with all material information relevant to a decision on whether or not to elect or re-elect a Director.

Directors offering themselves for election/re-election are invited to give a short presentation to the AGM in support of their election/re-election.

5) Director Tenure requirements

The Board approved policy on Director tenure is:

- i. Maximum tenure of Directors (other than the Chairman) of nine years from date of first election by shareholders.
- ii. Maximum tenure of Chairman of twelve years from date of first election by shareholders.
- iii. The Board, on its initiative and on an exceptional basis, may exercise discretion to extend the maximum terms specified in (i) and (ii) above where it considers that such an extension would benefit the Westpac Group. Such discretion will be exercised on an annual basis and the Director concerned will be required to stand for re-election annually.
- iv. Recommendations to shareholders to re-elect Directors are to be made only after peer review.

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