



3 November 2021

Market Announcements Office
ASX Limited
Level 4
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SYDNEY NSW 2000

ANZ 2021 Corporate Governance Statement

Australia and New Zealand Banking Group Limited (ANZ) today released its 2021 Corporate Governance Statement.

It has been approved for distribution by ANZ's Board of Directors.

Yours faithfully

Simon Pordage
Company Secretary
Australia and New Zealand Banking Group Limited

**2021 / CORPORATE
GOVERNANCE STATEMENT**

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1. Approach to governance

ANZ's Board, with the support of the Board Committees, is responsible for oversight of ANZ's governance framework. The framework seeks to provide effective and responsible decision making, assisting ANZ in delivering on its strategy and purpose.

This Statement outlines key areas of the framework, which includes:

- An experienced and independent Board, supported by a Board Committee structure which is regularly reviewed to seek to ensure it continues to operate effectively and add value;
- Clear delineation of the respective roles of Board and management;
- Timely and balanced disclosure, including the corporate governance page of ANZ's website at anz.com/corporategovernance; and
- A comprehensive risk management framework which is regularly reviewed.

Board of Directors

Paul O'Sullivan

Chairman, Independent
Non-Executive Director



Shayne Elliott

Chief Executive Officer,
Executive Director



Ilana Atlas, AO

Independent
Non-Executive Director



Paula Dwyer

Independent
Non-Executive Director



Jane Halton, AO PSM

Independent
Non-Executive Director



RT Hon Sir John Key, GNZM AC

Independent
Non-Executive Director



Graeme Liebelt

Independent
Non-Executive Director



John Macfarlane

Independent
Non-Executive Director



Full biography details can be found on
ANZ's website at anz.com/directors.

Board overview

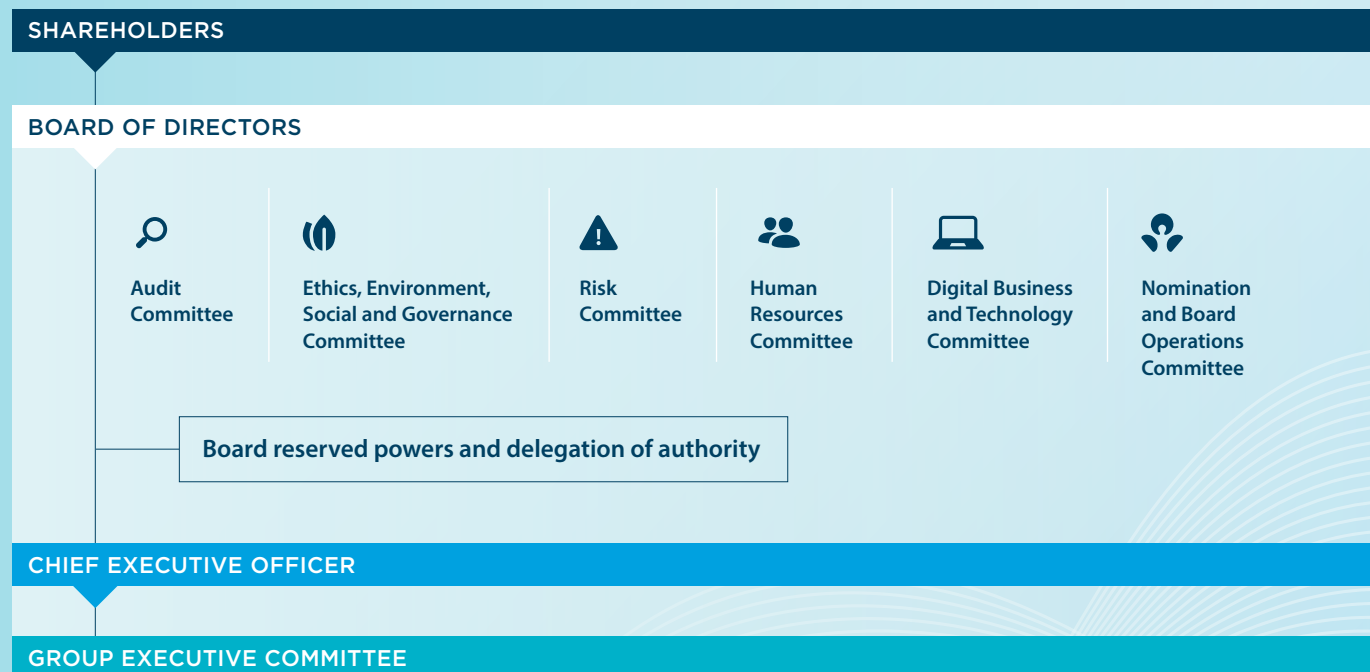
BOARD COMPOSITION

- ANZ’s Board is comprised of seven Non-Executive, independent Directors (including an independent Chair, Paul O’Sullivan) and one Executive Director – ANZ’s Chief Executive Officer (CEO), Shayne Elliott.
- Currently, three of ANZ’s Directors are female and five are male.
- As announced in August 2021, one of Australia’s leading non-executive directors, Christine O’Reilly, will join the Board on 1 November 2021 as a Non-Executive Director. Following her appointment, Christine will stand for election as a Director at ANZ’s AGM on 16 December 2021.
- Paula Dwyer will retire at the 2021 AGM, having served as an independent Non-Executive Director on the Board since 2012.
- The names and biographical details of each Director, including their main associations outside ANZ, are available on ANZ’s website at anz.com/directors and in the 2021 Annual Report.

BOARD COMMITTEES

- Under ANZ’s Constitution, the Board may delegate any of its powers to Committees of the Board. ANZ has six principal Board Committees – the Audit Committee (chaired by Paula Dwyer), the Ethics, Environment, Social and Governance (EESG) Committee (chaired by Paul O’Sullivan), the Risk Committee (chaired by Graeme Liebelt), the Human Resources Committee (chaired by Ilana Atlas, AO), the Digital Business and Technology Committee (chaired by Jane Halton, AO PSM) and the Nomination and Board Operations (NBO) Committee (chaired by Paul O’Sullivan). Each Committee has its own Charter setting out its roles and responsibilities.

CORPORATE GOVERNANCE FRAMEWORK



2. Board areas of focus in FY21

The Board and its Committees engage in key strategic, governance and oversight activities each year. The topics below are illustrative to provide stakeholders with an insight into some of the key matters considered by the Board and its Committees during 2021 and is not intended to be a comprehensive list.



Strategy and the future

The Board and its Committees continued to focus on longer-term strategic matters. During the year, Directors participated in three specific Board strategy sessions, using internal and external experts to provide different points of view. The sessions included assessing the external operating, technological, economic and competitive environment and challenging ANZ's long-term response and plans.

The Board regularly discussed and revisited ANZ's strategic and growth priorities, including adjusting the Board agenda to ensure appropriate, distinct and continuous focus on growth matters at each Board meeting.

As a key part of this, the Board regularly discussed and provided oversight with respect to ANZ's approach to the long-term transformation of its Australian business, including technology and digital related matters. The Board received 'deep dives' into the design of the technology to best meet customer needs, and the Board, utilising the breadth of focus of its Committees received numerous reports overseeing key aspects of the transformation, including testing and implementation.

An additional important focus of the Board during the year was succession planning and development focus in respect of ANZ's most senior executives, and in respect of its own composition.



COVID-19 pandemic

The Board and its Committees continued to play an active role in providing oversight of the impact of, and ANZ's response to, the COVID-19 pandemic, including:

- The relief measures in place to support our customers, including customer take up, delivery and ongoing communications.
- The impact of COVID-19 on the economy, domestic and international, considering both the immediate and longer-term impacts.
- The impact of the pandemic on our people, and the different geographic responses undertaken in the jurisdictions in which we operate. This included consideration of vaccination trends, the future of the workplace and actions required to protect and support our people operating remotely.

2. Board areas of focus in FY21 (continued)



Risk, regulation and reputation

The Board and its Committees also continued to oversee the important work carried out by management to progress ANZ's risk governance roadmap. Management provided regular reports on progress, as well as ANZ's approach to improving and simplifying organisational and risk culture.

As part of this, the Board approved ANZ's approach to risk culture and what ANZ's target risk culture is, with the Risk Committee providing ongoing oversight of work to achieve that, with the Human Resources Committee and Board continuing to focus on and discuss Management's actions to strengthen and simplify ANZ's broader organisational culture.

The Board also met with ANZ's key Australian regulators during the course of the year with the purpose of maintaining constructive and two-way dialogue.

As a key aspect of ensuring the correct focus on ANZ's strategy and growth, the Board regularly discussed 2nd and 3rd line's assessment of the risks associated with the implementation of ANZ's strategic transformation agenda.

The Board and its Committees continued to review ANZ's approach and performance in relation to compliance as well as reviewing ANZ's preparedness for regulatory change, including in relation to breach reporting, design and distribution obligations and responsible lending laws. It also received regular education and briefing materials on key areas such as anti-money laundering and counter terrorism financing, competition law, whistleblowing and cyber security.

The Board also discussed and reviewed the current status of embedding ANZ's Purpose throughout the business, reflecting on progress since its introduction five years ago.

The Board considered and discussed 'how we bank' – with an ethical and Environment, Social and Governance (ESG) lens, including ESG priority areas, customers experiencing vulnerability, product suitability, accessibility and diversity and our COVID-19 Statement of Intent. The Board also considered 'who we bank', through industry sector and country specific reviews, human rights policy and modern slavery and climate change policy.



Financial/Operational

While the Board and its Committees have had a strong focus on the long-term future of the Group, the Board (and its Committees) maintains an equally strong focus on the current performance of the Group, including:

- Reviewing, challenging and ultimately endorsing ANZ's operating and strategic plans, both annual and longer-term, including in relation to ANZ's investment and business as usual cost ambitions.
- Regularly discussing merger and acquisitions matters.
- Providing oversight of key capital management matters, including the approval of the issue of Capital Notes 6 and ANZ's on-market share buyback.
- Developing and implementing standardised Business Performance Templates for discussion at each Board meeting with the Group Executives leading each of ANZ's major businesses.

3. The Board

3.1 Members of the Board

The roles of the Chairman and CEO are separate. Paul O’Sullivan has been Chairman since 28 October 2020. Paul was appointed as an Independent Non-Executive Director in November 2019. Shayne Elliott has been CEO since 1 January 2016. As CEO, Shayne is not required to seek re-election by shareholders every three years, in accordance with ASX Listing Rules. RT Hon Sir John Key, GNZM AC will stand for re-election at the 2021 AGM, in accordance with the ASX Listing Rules. Paula Dwyer will retire at the 2021 AGM, having served as an independent Non-Executive Director on the Board since 2012. It was announced on 4 August 2021 that Christine O’Reilly will join the ANZ Board as a Non-Executive Director on 1 November 2021. Following her appointment, Christine will stand for election as a Director at the 2021 AGM.

The name of each ANZ Director, together with their appointment information, is set out below.

| Directors | Appointed to the Board | Last election/re-election date |
|--|------------------------|--|
| Paul O’Sullivan (Chair of Board, EESG Committee and NBO Committee) | 2019 | 2019 |
| Shayne Elliott (CEO) | 2016 | N/A |
| Ilana Atlas, AO (Chair of Human Resources Committee) | 2014 | 2020 |
| Paula Dwyer (Chair of Audit Committee) | 2012 | 2018 – will retire at the 2021 AGM |
| Jane Halton, AO PSM (Chair of Digital Business and Technology Committee) | 2016 | 2019 |
| RT Hon Sir John Key, GNZM AC | 2018 | 2018 – will seek re-election at the 2021 AGM |
| Graeme Liebelt (Chair of Risk Committee) | 2013 | 2019 |
| John Macfarlane | 2014 | 2020 |

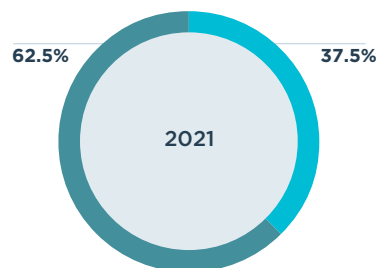
3.2 Role of the Board and management

The Board is responsible for the oversight of ANZ and its sound and prudent management, with specific duties as set out in its Charter. At management level, the Group Executive Committee (ExCo) comprises ANZ’s most senior executives. The members of ExCo are set out on ANZ’s website at anz.com/exco. ANZ has a delegations of authority framework that clearly outlines those matters delegated to the CEO and other members of senior management.

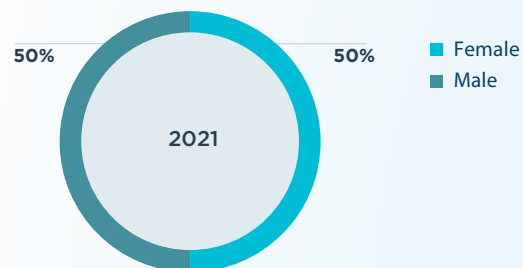


The Charters of the Board and each of its principal Committees are located on ANZ’s website at anz.com/corporategovernance.

Board Gender Diversity



Board Committee Chair Gender Diversity



3.3 Directors' attendance at Board and Committee meetings

The number of Board, and Board Committee, meetings held during the year and each Directors' attendance at those meetings are set out below:

| | Board | | Risk Committee | | Audit Committee | | Human Resources Committee | | Ethics, Environment, Social and Governance Committee | | Digital Business and Technology Committee | | Special Committee of the Board | | Committee of the Board ¹ | | Nominations and Board Operations | | Shares Committee ¹ | |
|-------------------------------------|------------------------|----|----------------|---|-----------------|---|---------------------------|---|--|---|---|---|--------------------------------|---|-------------------------------------|---|----------------------------------|---|-------------------------------|---|
| | A | B | A | B | A | B | A | B | A | B | A | B | A | B | A | B | A | B | A | B |
| | Paul O'Sullivan | 15 | 15 | 9 | 9 | 8 | 8 | 5 | 5 | 4 | 4 | 6 | 6 | 4 | 4 | | | 3 | 3 | 2 |
| Ilana Atlas, AO | 15 | 15 | | | 9 | 9 | 5 | 5 | 5 | 5 | | | | | | | 3 | 3 | 1 | 1 |
| Paula Dwyer | 15 | 15 | 9 | 9 | 9 | 9 | 5 | 5 | | | | | 4 | 4 | 2 | 2 | 3 | 3 | | |
| Shayne Elliott | 15 | 15 | | | | | | | | | | | 4 | 4 | 2 | 2 | | | 1 | 1 |
| David Gonski, AC² | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | | 1 | 1 | | |
| Jane Halton, AO PSM | 15 | 15 | | | | | 5 | 5 | 5 | 5 | 6 | 6 | | | | | 3 | 3 | | |
| RT Hon Sir John Key, GNZM AC | 15 | 13 | 9 | 8 | | | | | 5 | 5 | 6 | 6 | | | | | 3 | 3 | | |
| Graeme Liebelt | 15 | 15 | 9 | 9 | 9 | 9 | 5 | 5 | | | | | 4 | 4 | | | 3 | 3 | | |
| John Macfarlane | 15 | 15 | 9 | 9 | 9 | 9 | | | | | 6 | 6 | 4 | 4 | | | 3 | 3 | | |

Column A Indicates the number of meetings the Director was eligible to attend as a member. **Column B** Indicates the number of meetings attended. The Chairman became an ex-officio member of the Risk, Audit, Human Resources, Ethics, Environment, Social and Governance, Digital Business and Technology and Nomination and Board Operations Committees on 28 October 2020, upon David Gonski's retirement. With respect to Committee meetings, the table above records attendance of Committee members. Any Director is entitled to attend these meetings and from time to time Directors attend meetings of Committees of which they are not a member.

1. The meetings of the Committee of the Board and Shares Committee as referred to in the table above include those conducted by written resolution.

2. David Gonski retired as Chairman and as a Non-Executive Director on 28 October 2020.

3.4 CEO and delegation to management

The Board appoints the CEO and certain members of the senior management team at ANZ, as set out in its Charter. The Board delegates to the CEO, and through the CEO to senior management, via the ANZ Delegations of Authority Policy, the authority and responsibility to make decisions with the aim of achieving the approved strategies and financial objectives of ANZ. This Policy is reviewed regularly.

ExCo generally meets each month and is responsible for delivering ANZ's purpose, to shape a world where people and communities thrive. It does this by focusing on:

- All key stakeholders;
- Shaping ANZ's culture and capabilities; and
- Prioritising ANZ's efforts and allocation of resources.

ANZ also has a number of formally established management committees, each of which deals with particular sets of ongoing issues with defined decision-making authority.

As required by the Banking Executive Accountability Regime (BEAR), individual accountability statements have been developed and are maintained for ANZ's Accountable Persons (all ANZ Directors and ExCo (other than the Group Executive, Data and Automation) and the Group General Manager, Internal Audit). These contain a comprehensive statement of their individual responsibilities and acknowledgment of their accountability obligations under BEAR.

In addition, ANZ maintains an Accountability Map for BEAR which describes the purpose of ANZ's Board, Board Committees and key management committees. The Map also includes mapping of management and governance arrangements across the Accountable Persons.

The ANZ Board Reserved Powers and ANZ Delegations of Authority policy together comprise a comprehensive Delegations of Authority Framework that applies to all employees and contractors of ANZ and its controlled entities.

3.5 Board composition, selection and appointment

ANZ reviews its Board composition regularly. The NBO Committee assists the Board with all matters to do with reviewing Board composition. In assessing potential candidates and in undertaking reviews of the size and composition of the Board, the NBO Committee takes into account the guiding principle that the Board's composition should reflect an appropriate mix having regard to such matters as:

- skills/experience across the key areas identified in the ANZ Board Skills Matrix;
- tenure; and
- diversity.

The NBO Committee also takes into account factors including:

- relevant guidelines/legislative requirements in relation to Board composition;
- Board membership requirements as articulated in the Board Charter; and
- other considerations including ANZ's strategic goals.

The Board has an objective of maintaining at least 30% female membership of the Board, with a longer-term aspiration of having equal representation of females and males in its own composition.

When considering potential candidates, the Board also notes that diversity has a much broader dimension and includes other matters such as age and cultural identity (for example, ethnicity and country of origin). The Committee also considers a candidate's personal qualities, communication capabilities as well as ability to effectively challenge management, professional reputation and commitment to ethical behaviour.

The Committee also reviews and recommends the succession planning for, and the process for electing, the Chairman of the Board, as required.



More detailed information on ANZ's nomination process can be found in ANZ's Board composition, selection and appointment document, available on ANZ's website at anz.com/corporategovernance.

The NBO Committee has been delegated responsibility to review and make recommendations to the Board regarding board size and composition, and to identify individuals believed to be qualified to become Board members and recommend such candidates to the Board.

3.6 Board skills and experience

The adjacent table sets out the key skills and experience that the ANZ Board is looking to achieve in its membership and the number of Directors with each skill/experience.

In addition to having individuals on the Board with a variety of technical skills and experiences listed below, the ANZ Board seeks to ensure that its own membership will operate as a team, focused on the long-term success of the business and comprise different personalities and viewpoints, who will respectfully challenge management and each other and participate in robust debate and work with peers to arrive at new solutions.

| Skills and experience | Number of Directors |
|--|---------------------|
| Strategy and commercial acumen (knowledge and experience in charting and monitoring the implementation of strategic objectives using commercial judgment) | 8 |
| Banking and/or financial services (experience outside ANZ in significant components of the banking or financial services industry) | 6 |
| Technology (knowledge and experience in the application and development within enterprises of major technology, data, technology related innovation or digital infrastructure or applications) | 4 |
| Leadership role in organisations of significant size (held CEO or senior position in a listed company or large/complex organisation or Government body) | 8 |
| Workplace culture and/or remuneration (knowledge and experience at a senior level in the management or oversight of workplace culture matters and/or the oversight of remuneration practices and senior appointments) | 8 |
| Corporate governance, risk management/compliance and/or sustainability (including but not limited to experience in the design and application of corporate governance, risk management/compliance and/or sustainability frameworks and related practices. This includes experience as a Director/Executive of a listed company or large/complex organisation or Government body) | 8 |
| Regulatory/government policy (experience in relation to the development of regulation/government/industry policy matters and/or significant stakeholder engagement/management) | 8 |
| International business experience | 8 |
| Financial acumen (good understanding of financial statements relating to businesses of significant size, including ability to probe the adequacies of financial and related risk controls) | 8 |

3.7 Director independence

ANZ's Board Charter requires that the Board has a majority of Non-Executive Directors who satisfy ANZ's criteria for independence. Those criteria are set out in the Board Charter and are reviewed by the NBO Committee regularly against the ASX Governance Principles, the APRA Prudential Standards, and the other relevant requirements.

The Audit Committee Charter sets additional independence criteria for Audit Committee members which is also considered.

Further details of the criteria are set out on ANZ's website at anz.com/corporategovernance.

ANZ's test for independence is whether a Director has a material relationship with ANZ. In summary, a relationship with ANZ is regarded as material if a reasonable person in the position of a Non-Executive Director of ANZ would expect there to be a real and sensible possibility that it would influence, or be perceived to influence, a Director's mind in:

- making decisions on matters likely to come regularly before the Board or its Committees;
- objectively assessing information and advice given by management;
- setting policy for general application across ANZ; and
- generally carrying out the performance of his or her role as a Director.

Directors may have a personal commercial relationship with, or are on the boards of companies and other organisations that have a commercial relationship with ANZ. Arrangements are in place (see Section 3.8) to seek to ensure that there are no independence issues arising from those relationships.

3.8 Conflicts of interest

Over and above the issue of independence, each Director has a continuing responsibility to determine whether he or she has a potential, or actual, conflict of interest in relation to any material matter which relates to the affairs of ANZ. Such a situation may arise from external associations, interests or personal relationships.

ANZ has a Directors' Disclosure of Interest Protocol and Procedures for Handling Conflicts of Interest. It provides that a Director may not exercise any influence over the Board if an actual or potential conflict of interest exists.

The Protocol contains more information around ANZ's approach to handling conflicts of interest, which is available on ANZ's website at anz.com/corporategovernance.

3.9 Outside commitments of Non-Executive Directors

All Non-Executive Directors are asked to notify the Chairman before accepting any new outside appointment. The Chairman reviews the proposed new appointment and considers the issue on an individual basis.

The process the Chairman follows in carrying out this review, and the factors considered, are set out in the Outside Commitments of Non-Executive Directors document, which is available on ANZ's website at anz.com/corporategovernance.

If the Chairman proposes to accept a new outside appointment, the longest serving Non-Executive Director substitutes for the Chairman for the purpose of the review and approval process set out above.

ANZ is comfortable with each of the outside commitments of the Non-Executive Directors.

The Board has reviewed each Non-Executive Director's independence and concluded that each Non-Executive Director is independent.

4. Performance evaluations

ANZ conducts performance evaluations of each Non-Executive Director, the Chairman of the Board, the Board and the Board Committees.



Details of the evaluation processes are summarised below and set out in more detail in ANZ's Board Renewal and Performance Evaluation Protocol, which is available on ANZ's website at anz.com/corporategovernance.

4.1 Non-Executive Directors

For the evaluation of Non-Executive Directors, the Chairman normally has a one-on-one meeting with the Non-Executive Director regarding their performance, including compliance with the Non-Executive Directors' Code of Conduct.

4.2 Chairman of the Board

ANZ's longest serving Non-Executive Director usually facilitates the evaluation of the performance of the Chairman. This involves seeking input from each Director.

4.3 The Board

On a periodic basis, the performance of the Board is evaluated using an independent external facilitator. ANZ expects this evaluation to occur approximately every three years.

4.4 Board Committees

Each of the principal Board Committees conducts an annual self-assessment to evaluate the Committee's performance in a manner agreed by the NBO Committee.

4.5 Senior executives

The Remuneration Report in the 2021 Annual Report sets out how the Board evaluates the performance of the CEO and other key senior executives, including how we assess Risk, Customer, People and Culture, and Financial Discipline and Operational Resilience measures.

Relevant senior executive evaluations have been undertaken in respect of the 2021 financial year in accordance with this process.

4.6 2021 evaluation processes undertaken

In 2020, the Board utilised the services of an independent external facilitator to assist it with the evaluation of the Board and of the Directors. The 2021 financial year evaluation is being conducted internally. As at the time of this report, the 2021 evaluations of the Chairman, Non-Executive Directors, the Board and Board Committees were in the process of being undertaken and will be completed by the end of the year.

5. Other information

5.1 Fit and proper person checks and BEAR suitability

ANZ has processes that ensure individuals appointed to relevant senior positions have the appropriate fitness and propriety to properly discharge their prudential responsibilities.

The framework is set out in ANZ's Fit and Proper Policy for APRA Regulated Institutions. Before a new appointment is made to any of the following positions, the policy requires assessments to be carried out for each Director, relevant senior executives, and the APRA engagement partner of ANZ's External Auditor. The Board carries out assessments of ANZ's Non-Executive Directors, the Human Resources Committee assesses the CEO and key senior executives and the Audit Committee assesses the APRA engagement partner of ANZ's External Auditor. The assessment includes:

- each individual providing attestations;
- the reviewer obtaining evidence of the individual's material qualifications; and
- the reviewer checking the individual's past – for example: for any criminal record, bankruptcy history and regulatory disqualifications.

During the 2021 financial year, Annual Fit and Proper assessments were carried out for each Non-Executive Director, the CEO, key senior executives and the APRA engagement partner of ANZ's External Auditor.

The policy also sets out how the Board and Human Resources Committee assesses whether ANZ's Accountable Persons are suitable to act in that capacity pursuant to the requirements of the BEAR.



A Fit and Proper Policy summary with more information around the framework is available on ANZ's website at anz.com/corporategovernance.

5.2 Appointment documentation

Each new Non-Executive Director receives a letter regarding their appointment together with a Director's Deed covering a number of issues including indemnity, directors' and officers' liability insurance, the right to obtain independent advice, confidentiality requirements and access to information. Formal letters are provided to senior executives setting out the terms of their appointment.

5.3 Induction for directors

ANZ arranges an induction program which involves every new Director receiving information about all aspects of the Group's operations, including briefings with key members of senior management. This is followed up by additional meetings or information that may be requested by the new Director.

5.4 Directors right to independent advice

To help Directors fulfil their responsibilities, each Director has the right (with the prior approval of the Chairman) to seek independent professional advice, at ANZ's expense, about his or her responsibilities. In addition, the Board and each principal Committee may, at ANZ's expense, and with the approval of the Chairman, obtain whatever professional advice it requires to assist in its work.

5.5 Meeting director share qualifications

Within five years of each Non-Executive Director's appointment, they must accumulate, and then maintain, a holding in ANZ shares that is equivalent to at least 100% of a Non-Executive Director's base fee. The requirement for the Chairman is 200% of that fee. Based on the ANZ share price as at 30 September 2021, all Non-Executive Directors who have served five years met the holding requirement. Non-Executive Directors appointed within the last five years have either met or are building towards their shareholding requirement.

5.6 Non-Executive Director and senior executive remuneration

Information about the structure of the Non-Executive Directors' remuneration and the remuneration of the CEO and other senior executives is set out in the Remuneration Report in the 2021 Annual Report.

5.7 Election at next AGM

As allowed by ANZ's Constitution and the *Corporations Act 2001*, the Board may appoint a Non-Executive Director of ANZ at any time. But that person must retire at the next AGM.

If they wish to continue as a Director, they must seek election by shareholders at that AGM.

5.8 Directors tenure and retirement

ANZ's Constitution requires a Non-Executive Director who wishes to continue in their role to seek re-election by shareholders every three years. This is consistent with the ASX Listing Rules.

In addition, ANZ's Board Renewal and Performance Evaluation Protocol requires Non-Executive Directors to retire when they have served three consecutive 3-year terms after first being elected by shareholders.

However, in special circumstances, the Board may invite them to extend their tenure.

5.9 Continuing education for directors

ANZ Directors take part in a range of training and continuing education programs relating to their duties and responsibilities as Directors, in addition to a formal induction program.

Each Committee also conducts its own continuing education sessions as appropriate and seeks to identify topics as part of their self-assessment. For example, the Audit Committee receives regular briefings on developments in accounting standards.

Internal and external experts are engaged, as required, to conduct education sessions and the Digital Business & Technology Committee receives regular reports on the changing cyber security landscape.

6. Role of Company Secretaries

The Board is responsible for appointing ANZ's Company Secretaries. The Board has appointed two Company Secretaries. Profiles of ANZ's Company Secretaries can be found in the Directors' Report (in the 2021 Annual Report).

One of them is the Group General Counsel, Ken Adams. He is responsible for the provision of legal services to ANZ globally. He works closely with the Chairman, Directors and senior management and is responsible to the Board for the Corporate Governance function.

The Company Secretary, Simon Pordage, is responsible for the operations of the Corporate Governance function including administering Board and Board Committee meetings and associated Board governance requirements for ANZ and its Australian subsidiaries, administering Group requirements under the Banking Executive Accountability Regime, the administration of ANZ group policies, overseeing the relationship with ANZ's Share Registrar and administering ANZ's listed securities, including managing distributions, and communication and lodgement of information with, securities exchanges and corporate regulators.

He is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

He works closely with the Chair of the Board to develop and maintain ANZ's corporate governance principles.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

7. Board Committees

7.1 Membership and attendance

Each of the principal Board Committees:

- is comprised solely of independent Non-Executive Directors – and has at least three members;
- has its own Charter;
- has the power to initiate any special investigations it considers necessary; and
- has the Board appoint one of its members as Chair.

Each year, the Board reviews Board Committee composition. The Chairman is an ex-officio member of each principal Board Committee and is Chair of the EESG Committee and NBO Committee. The CEO is invited to attend Board Committee meetings as appropriate. However, his presence is not automatic and he does not attend if his remuneration is being considered or discussed. Non-Executive Directors may, and are encouraged, to attend meetings of other Committees and are provided with papers for all meetings.

Each Board Committee may, within the scope of its responsibilities, have unrestricted access to management, employees and information it considers relevant to the carrying out of its responsibilities under its Charter.

Each Board Committee may require the attendance of any ANZ officer or employee, or request the attendance of any external party, at meetings as appropriate.

7.2 Audit Committee

The Audit Committee is responsible for providing oversight and independent review of:

- ANZ's financial reporting principles and policies, controls and procedures;
- the effectiveness of ANZ's internal control and risk management framework;
- the work of Internal Audit (IA) which reports directly to the Chair of the Audit Committee – see Section 8.1 of this Statement for more information about IA;

- the integrity of ANZ's financial statements and their independent audit, and compliance with related legal and regulatory requirements;
- prudential supervision procedures and other regulatory requirements (including reporting requirements) to the extent they relate to financial reporting; and
- reports from major subsidiary audit committees.

The Audit Committee is also responsible for:

- appointing, overseeing, and annually evaluating the External Auditor – including reviewing their independence, fitness and propriety and qualifications;
- compensation of the External Auditor;
- if appropriate, replacing the External Auditor; and
- reviewing the performance and remuneration of the Group General Manager, Internal Audit and making recommendations to the Board as appropriate.

Under the Committee Charter:

- each member of the Audit Committee must be appropriately financially literate; and
- collectively they must have the appropriate knowledge, skills and experience (including industry experience) to effectively discharge the Committee's responsibilities.

The Board has determined Paula Dwyer (Chair) was a 'financial expert' under the definition set out in the Audit Committee Charter. Although the Board determined that Paula has the necessary attributes to be a 'financial expert' in accordance with those requirements, it is important to note that this does not give Paula additional responsibilities to those of other members of the Audit Committee.

The Audit Committee regularly meets with the External Auditor and internal auditor without Management being present. The Chair of the Audit Committee meets separately and regularly with IA, the External Auditor and Management. The Deputy Chief Financial Officer is the executive responsible for assisting the Chair of the Committee

in connection with the administration and efficient operation of the Committee.

The CEO and CFO gave the Board the declarations concerning the Group's 2021:

- full year financial statements, and other matters, that are required by s295A of the Corporations Act and Recommendation 4.2 of the ASX Governance Principles; and
- half-year financial statements, and other matters, that are required by Recommendation 4.2 of the ASX Governance Principles.

7.3 EESG Committee

The EESG Committee is responsible for oversight, review and/or approval, (as applicable) of matters including:

- the proposed corporate sustainability objectives for ANZ;
- disclosures relating to ANZ's Sustainability Framework, objectives and related performance;
- ethical, environmental, social and governance risks and opportunities relevant to the bank's ability to operate as a fair, responsible and sustainable business;
- reports on ethical, environmental, social and governance matters;
- ANZ's Ethics and Responsible Business Committee;
- referring to the Board the resolution of any significant ethical or environmental, social and governance matters, where applicable;
- the development of and approve applicable corporate governance policies and principles; and
- reviewing this Statement.

The Company Secretary and the Group General Manager, Corporate Affairs are responsible for assisting the Chair of the EESG Committee with the operation of the Committee.

7.4 Human Resources Committee

The Human Resources Committee assists, and makes recommendations to, the Board in relation to remuneration matters and other Talent and Culture matters such as senior

executive succession, diversity, culture and accountability and consequence management.

The Committee is responsible for reviewing and approving, or making recommendations to the Board on matters including:

- remuneration for the CEO and other key executives, and fees for the Non-Executive Directors;
- the design of significant variable remuneration plans;
- performance and reward outcomes for key senior executives;
- key senior executive appointments and terminations;
- the effectiveness of the ANZBGL Remuneration Policy and changes to the policy;
- strategies and actions taken to transform culture, including but not limited to diversity and inclusion, employee engagement and leadership strategies and the accountability and consequence framework (excluding Board diversity which is monitored by the NBO Committee); and
- the results of the annual review into the effectiveness of ANZ's BEAR framework, including the BEAR Breach Policy.

The Group Executive, Talent and Culture is responsible for assisting the Chair of the Committee with the operation of the Committee.

For more details on the activities of the Human Resources Committee, please see the Remuneration report in the Annual Report.

7.5 Risk Committee

The Board is responsible for approving the Group's risk appetite, including risk appetite statement and risk management strategy.

This responsibility extends to overseeing management establishing a sound risk management culture to facilitate effective risk management throughout the Group, which in turn supports the ability of ANZ to operate consistently within its risk appetite.

The Risk Committee assists the Board:

- by independently overseeing management's implementation of the risk management framework and its related operation;

ANZ Board Committee memberships

as at 27 October 2021

| | Audit | Ethics, Environment, Social and Governance | Human Resources | Risk | Digital Business and Technology | Nomination and Board Operations |
|------------------------------|--|--|---|--|--|--|
| Membership | | | | | | |
| Paul O'Sullivan* | ✓ | ✓ c | ✓ | ✓ | ✓ | ✓ c |
| Ilana Atlas, AO | ✓ | ✓ | ✓ c | | | ✓ |
| Paula Dwyer | ✓ c, FE | | ✓ | ✓ | | ✓ |
| Jane Halton, AO PSM | | ✓ | ✓ | | ✓ c | ✓ |
| RT Hon Sir John Key, GNZM AC | | ✓ | | ✓ | ✓ | ✓ |
| Graeme Liebelt | ✓ | | ✓ | ✓ c | | ✓ |
| John Macfarlane | ✓ | | | ✓ | ✓ | ✓ |
| Composition | | | | | | |
| | <ul style="list-style-type: none"> The Board appoints one of its members, other than the Chairman of the Board, to serve as the Committee's Chair. The Risk Committee Chair is to be a member of the Audit Committee and vice versa to seek to ensure relevant information flows between these committees. Additional eligibility for membership rules apply as set out in clause 6.2 of the Audit Committee Charter. | <ul style="list-style-type: none"> The Board appoints one member of the Committee as its Chair. | <ul style="list-style-type: none"> The Board appoints one member of the Committee as its Chair. Committee membership will seek to ensure some overlap in membership between the Audit, Risk and Human Resources Committees. | <ul style="list-style-type: none"> The Board appoints one of its members, other than the Chairman of the Board, to serve as the Committee's Chair. Committee membership will seek to ensure some overlap in membership between the Risk and Human Resources Committees. The Audit Committee Chair is to be a member of the Risk Committee and vice versa to seek to ensure relevant information flows between these committees. | <ul style="list-style-type: none"> The Board appoints one member of the Committee as its Chair. | <ul style="list-style-type: none"> The Board appoints one member of the Committee as its Chair. |

All members are required to be independent, Non-Executive Directors

Minimum membership of each Committee is three Non-Executive Directors which may include the Chairman of the Board (ex Officio)

Each Director may attend (but not vote at) a meeting of a Committee of which he or she is not a member

* ex Officio membership

C Chair **FE** Financial Expert

- by taking a Group-wide view of ANZ's current and future risk position relative to the Group's risk appetite and capital strength;
- in discharging its responsibilities for business, market, credit, equity and other investment, financial, operational, compliance, liquidity and reputational risk management and for the management of the Group's compliance obligations; and
- by advising the Board on current and future risk appetite and risk management strategy.

The Committee is authorised to approve credit transactions beyond the approval discretion of management.

The Chief Risk Officer is responsible for assisting the Chair of the Committee with the operation of the Committee.

Risk management framework

There is a risk management framework in place to monitor and manage ANZ's key risks. The Board, with the endorsement of the Risk Committee, reviews the framework at least annually to satisfy itself that the framework continues to be sound and that ANZ is operating with due regard to the risk appetite set by the Board. This review was conducted during the 2021 financial year. The Annual Report contains further information on ANZ's framework, including how it is structured with respect to the Three Lines-of-Defence Model and Risk Management Committee, actions taken to improve risk management during the year and emerging risks for ANZ.

Under the Three Lines-of-Defence Model, the business has first line of defence responsibility, the Risk Function is the second line of defence and Internal Audit is the final line of defence.

7.6 Digital Business and Technology Committee

The Digital Business and Technology Committee is responsible for assisting the Board in the effective discharge of its responsibilities in connection with the oversight of ANZ's digital transformation, data, technology, technology-related innovation and information/cyber security strategies.

It provides a forum for Committee members to question and explore relevant matters in more depth than they could at a Board meeting. The Committee is responsible for:

- monitoring and providing guidance as appropriate on, matters relating to ANZ's digital transformation, technology, technology-related innovation and information/cyber security strategies;
- monitoring the delivery of the key programs that form part of ANZ's digital transformation, technology, technology-related innovation, and information/cyber security strategies;
- recommending to the Board and monitoring the delivery of material digital transformation and technology investments, including those exceeding AUD100 million; and
- reviewing the health and relevance of ANZ's technology suite, to ensure secure, stable and reliable services.

The Group Executive, Technology is responsible for assisting the Chair of the Committee with the operation of the Committee.

7.7 Nomination and Board Operations Committee

The NBO Committee assists the Board with all matters to do with the proper functioning of the Board, including in relation to its ongoing composition and overall Board operations. Its duties include:

- all matters to do with reviewing Board composition, including renewal and succession planning, the processes for Director selection, appointment and re-election, the effectiveness of ANZ's approach to diversity, monitoring and making amendments to ANZ's Board skills matrix, recommending individuals to the Board to be appointed as directors and succession planning for the Chairman of the Board;
- the review and approval of processes for evaluating the performance of the Board, each principal Committee and each Director including the Chairman but excluding the CEO; and
- all other matters to do with the effective and efficient operation of the Board and its principal Committees.

The Company Secretary is responsible for assisting the Chair of the Committee with the operation of the Committee.

7.8 Additional Committees

In addition to the six principal Board Committees, the Board has constituted two Committees, consisting solely of Directors, to assist in carrying out specific tasks. They are:

- the Special Committee of the Board, which has the full power of the Board and is convened as necessary between regularly scheduled Board meetings to deal with urgent matters; and
- a Shares Committee, which has the power to manage on behalf of the Board the issue of shares and options – including under ANZ's Employee Share Acquisition Plan and Share Option Plan.

The Board also forms and delegates authority to ad-hoc Committees of the Board as and when needed to carry out specific tasks.

8. Audit and financial governance

8.1 Internal Audit

Internal Audit (IA) is independent of management. Its role is to provide the Board, management and regulators with an independent appraisal of the internal controls established by ANZ's first (business) and second (Group Risk) lines of defence. IA operates under a Board approved Charter. Internal Audit reports directly and solely to the Chairman of the Audit Committee. IA has a direct communication line to the Group Chief Executive and the External Auditor.

The IA team includes six General Managers accountable for the provision of audit services to their respective Divisions. The General Managers, together with the Head of Audit Services, Director Audit-Culture, Director Data Analytics and Group General Manager, IA, form the IA Leadership Team. IA uses a global audit pool structure, which comprises individuals with skills in Technology, Credit Assurance, Culture Assessments, Data Analytics and Operational audits. The global team is spread across fourteen locations.

IA operates to its annual IA Plan, which is developed and reviewed in line with ANZ's overall risk appetite and risk management framework. The Audit Committee reviews and approves the annual IA Plan and any material changes to it. This ensures the Plan meets regulatory requirements and covers all material risks. The Audit Committee also approves the annual budget for the IA function.

All audit activities are conducted in accordance with ANZ policies and values, including ANZ's Employee Code of Conduct, as well as local and international auditing standards promulgated by the professional auditing bodies. The Group General Manager, IA presents reports at each Audit Committee meeting. The reports cover: major activities and findings; statistics on issued audit reports and ratings; and information about the internal audit function – including progress on strategic initiatives, staffing and other related matters.

IA assesses and reports on the effective and timely resolution of audit issues raised.

8.2 External audit

The External Auditor's role is to provide an independent opinion that ANZ's financial report and remuneration report are true and fair and comply with accounting standards and applicable regulations. The External Auditor performs an independent audit in accordance with Australian Auditing Standards. The Audit Committee oversees ANZ's Stakeholder Engagement Model for Relationship with the External Auditor (Stakeholder Engagement Model).

Under the Stakeholder Engagement Model, the Audit Committee is responsible for appointing (subject to ratification by shareholders) and also compensating, retaining and overseeing the conduct of the external audit.

The Stakeholder Engagement Model also stipulates that the Audit Committee:

- pre-approves all audit, audit related and non-audit services either on an engagement-by-engagement basis or under a specific service pre-approved by the Committee;
- regularly reviews the independence of the External Auditor; and
- evaluates the effectiveness of the External Auditor.



The Stakeholder Engagement Model can be found on ANZ's website at anz.com/corporategovernance.

The Stakeholder Engagement Model contains a number of requirements as to non-audit services that the External Auditor may provide, as well as recruitment and rotation requirements of external auditor staff.

Information about the non-audit services provided by the External Auditor, KPMG, during the 2021 financial year is set out in the Directors' Report in the 2021 Annual Report. That information includes the cost of those services and a statement from the Board as to its satisfaction with KPMG's compliance with the related independence requirements of the *Corporations Act 2001*.

8.3 Financial controls

The Audit Committee oversees: ANZ's financial reporting policies and controls; the integrity of ANZ's financial statements; the relationship with the External Auditor; the work of IA; and the audit committees of various significant subsidiary companies.

Senior management – including senior divisional and finance and risk executives – attest to the integrity of financial results, disclosures, compliance obligations and internal control. This governance attestation is aligned with ANZ's external reporting obligations. ANZ also maintains a financial reporting governance framework and program, that assesses the effectiveness of key internal controls over financial and prudential regulatory reporting.

Significant matters arising from either the management attestation or governance assessment are reported to the Audit Committee. ANZ uses standardization and automation to enhance its processes for ensuring financial integrity in its reporting. The Finance Risk Management Committee oversees the management of these enhancements.

9. Ethical and responsible decision-making

9.1 Codes of conduct

ANZ has two Codes of Conduct – the Employee Code and the Non-Executive Directors Code (the Codes). The Employee Code supports ANZ's values and provides ANZ employees with a practical set of guiding principles to help them make fair, balanced and ethical decisions in their day-to-day work. The Non-Executive Directors Code recognises the different responsibilities that Directors have under law and enshrines the same values and principles as the Employee Code.

The Codes require honesty, integrity, quality and trust. ANZ employees and Directors are required to demonstrate these behaviours and to comply with the Codes. The Codes are supported by a suite of policies that are reviewed regularly to ensure they reflect any changes in law and otherwise remain fit for purpose.

Directors' compliance with the Non-Executive Directors Code forms part of their usual annual performance review.

The Codes, and ANZ's values, are available on ANZ's website at anz.com/corporategovernance. ANZ's 2021 Annual Report contains information on work undertaken during the year with respect to ANZ's conduct and culture (including breaches). The EESG Committee is informed of material breaches of the Codes.

Further information about the Codes, including on internal training and breaches, is available in ANZ's 2021 ESG Supplement.

9.2 Securities trading

The Trading in ANZ Securities Policy prohibits trading in ANZ securities by all employees, Directors and contractors who possess information that is not generally available and that could be reasonably expected to have a material, or significant, effect on the price, or value, of an ANZ security.

The Policy specifically prohibits ANZ Directors and certain 'restricted persons' (which includes certain senior executives) and their associates from trading in ANZ securities during 'blackout periods' as defined in the Policy. The Policy:

- excludes certain types of trading from the trading restrictions under the Policy;
- allows in exceptional circumstances, and with prior written clearance, trading during a prohibited period;
- prohibits employees and their associates from hedging interests that have been granted under any ANZ employee equity plan that are either unvested or subject to a holding lock; and
- prohibits ANZ Directors and restricted persons from using ANZ securities in connection with a margin loan or similar financing arrangement which may be subject to a margin call or loan-to-value ratio breach.



The Policy is available on ANZ's website at anz.com/corporategovernance.

9.3 Whistleblower protection

ANZ has a strong values based culture that encourages openness, integrity and accountability. The Whistleblower Policy has been developed to ensure that all current and former employees, officers, associates, contractors and sub-contractors of the ANZ group, along with their families and relatives, can freely and without fear of detriment raise concerns regarding actual or suspected misconduct by ANZ, or anyone connected to the ANZ group.

The Whistleblower Policy and program provides protections for individuals who disclose wrongdoing, helps uncover misconduct that may not otherwise be detected, holds ANZ accountable to its ethical and professional standards and promotes compliance with applicable laws and the importance of a 'speak up' culture.

A whistleblower can make a confidential disclosure under the Whistleblower Policy in a number of ways, including to a Whistleblower Protection Officer, the Whistleblower Program Team, or anonymously via phone, email and web-based channels operated by ANZ's external whistleblower reporting service, managed by a third party provider. ANZ maintains confidentiality of all reports to the fullest extent possible and does not tolerate any detriment or form of reprisal against anyone who raises a genuine concern about actual or suspected misconduct.

ANZ's Whistleblower Program team reports on a monthly basis to the Chief Compliance Officer and to the Operational Risk Executive Committee twice annually. Reporting to the EESG Committee is on a quarterly basis and includes any material incidents raised under the policy and actions taken. Reporting to other boards and committees of the ANZ group are made in a manner agreed between the Whistleblower Program and the relevant board or committee from time to time. Reporting is prepared on a deidentified basis to protect reporter identity.

Any report involving a Director or the CEO of ANZ is required to be reported to the Chair of ANZ.



ANZ's Whistleblower Policy is available on ANZ's website at anz.com/corporategovernance.

9.4 Anti-bribery and anti-corruption

ANZ is committed to complying with all applicable anti-bribery and anti-corruption (ABAC) laws of the jurisdictions in which it operates, applying and maintaining the highest level of ethical behaviour and standards. It has an ABAC Policy which prohibits ANZ employees, contingent workers and third parties acting for or on behalf of the ANZ group from engaging in activity that constitutes bribery or corruption. The policy defines unacceptable behaviour and activity relating to bribery and corruption and sets out the principles that form the foundation for ANZ's ABAC compliance framework, which enables ANZ to prevent, identify and respond to bribery and corruption risks.

It includes prohibitions on:

- the giving or receiving of bribes in any form, including with respect to public officials and all commercial relationships,
- the giving or receiving of gifts, entertainment and sponsored travel;
- offering anything of value to a public official in order to improperly influence in order to obtain any improper advantage of any kind; and
- making a donation to improperly influence to obtain an advantage of any kind.

Breaches of ANZ's ABAC Policy constitute a breach of ANZ's Code of Conduct and material breaches are reported to the Board and/or the Risk Committee.



ANZ's ABAC Policy is available on ANZ's website at anz.com/corporategovernance.

10. Commitment to shareholders

10.1 Communication

To be able to make informed decisions about ANZ, and to communicate views to ANZ, shareholders need an understanding of ANZ's business operations, performance and governance framework.

Generally, we do that through our reporting of results, the Annual Report (which now incorporates the Annual Review), announcements and briefings to the market, half yearly newsletters and through our dedicated shareholder site anz.com/shareholder/centre.

We strive for transparency in all our business practices, and we recognise the impact of quality disclosure on the trust and confidence of shareholders, the wider market and the community. To this end, ANZ, in addition to its scheduled results announcements, issued Trading Updates to the market during the 2021 financial year.



If you require any information or wish to express your view to ANZ on any matters of concern or interest, then the contact details for ANZ Investor Relations and ANZ's Share Registrar, Computershare Investor Services (including postal, telephone and email) are set out in ANZ's 2021 Annual Report and on ANZ's website at anz.com/annualreport and at anz.com/shareholder/centre.

10.2 Meetings

To allow as many shareholders as possible to have an opportunity to attend shareholder meetings, ANZ rotates meetings around capital cities and makes them available to be viewed online using webcast technology. In 2021 a virtual AGM will be held due to COVID-19. This process was also adopted in 2020.



Information on meetings and presentations held throughout this financial year are available on ANZ's website at anz.com/shareholder/centre.

Before the AGM, shareholders have the opportunity to submit questions to the Chairman or CEO to enable key common themes to be considered during the meeting.

The External Auditor attends ANZ AGMs and is available to answer shareholder questions on any matter that concerns them in their capacity as auditor.

Directors are also required to attend the AGM, except in unusual circumstances.

Shareholders have the right to vote on various resolutions related to company matters. Shareholders are encouraged to attend and participate in meetings. But, if they are unable to attend a meeting, then they can submit their proxies via post or electronically.

At the upcoming 2021 AGM, all resolutions will be determined by a poll (which is usual ANZ practice), then shareholders are able to cast their votes on a confidential basis.

ANZ appoints an independent party, normally KPMG, to verify the results of the meeting. Those results are reported as soon as possible to ASX and posted on ANZ's website at anz.com/agm.

ANZ shareholders have the option of receiving communications from, and sending communications to, ANZ and its Share Registrar electronically.

ANZ also has a comprehensive investor relations program, which facilitates effective communication with investors.

ANZ's Notice of 2020 AGM contained all material information in its possession relevant to the business of the meeting, including the election and re-election of Director at that AGM.

ANZ encourages shareholders to take an active interest in ANZ, and seeks to provide shareholders with quality information in a timely fashion.

11. Continuous disclosure

ANZ is required to comply with the disclosure requirements of the listing rules of the ASX, New Zealand Stock Exchange (NZX), and other offshore exchanges on which ANZ securities are listed, as well as relevant corporations and securities legislation. Unless an exception applies, ANZ must immediately notify the ASX, followed by the NZX, of any market sensitive information. Relevant disclosures will thereafter be lodged with other offshore exchanges where determined by the Corporate Governance function. Announcements and presentations regarding market sensitive information that have been lodged with ASX will be accessible on ANZ's website.

Members of ANZ's Continuous Disclosure Committee are generally responsible for reviewing proposed disclosures and making decisions in relation to what information will be disclosed to the market. ANZ employees and contractors must inform the Company Secretary (or in his absence, the Group General Counsel) of any potentially price sensitive information concerning ANZ as soon as they become aware of it.

ANZ's Board receives copies of all material market announcements promptly after they have been made. Any new and substantive investor or analyst presentation is lodged with the ASX ahead of the presentation.



ANZ's Continuous Disclosure Policy is available on ANZ's website at anz.com/corporategovernance.

12. Environmental and social risks

Details of ANZ's material environmental and social risks, as well as details of how ANZ manages those risks, are referred to in ANZ's Annual Report, Principal Risks and Uncertainties Disclosure and ESG Supplement, which are available on ANZ's website at anz.com/annualreport. ANZ will release its 2021 Climate-related Financial Disclosures report prior to its AGM. The report will be available on ANZ's website at anz.com/annualreport.

Diversity and inclusion at ANZ

13. Diversity and inclusion

13.1 Creating an inclusive workplace

ANZ believes the combined power of our diverse workforce and inclusive culture will improve the quality of decision making and drive innovation, making us a better bank for our customers and helping us to shape a world where people and communities thrive.



ANZ's Diversity and Inclusion Policy is on ANZ's website at anz.com/corporategovernance.

13.2 Leadership, governance and accountability

ANZ's Human Resources Committee plays an important role in relation to ANZ's people strategy, remuneration strategy and approach to diversity and inclusion (including gender diversity).

The Human Resources Committee has an overarching role to:

- review, note and monitor the effectiveness of ANZ's approach to diversity and inclusion;
- review and approve measurable objectives for achieving diversity (including gender diversity) and inclusion; and
- review annually both the objectives and progress towards achieving them.

Progress towards our diversity targets, including Women in Leadership, is monitored by ExCo on generally a monthly basis. Women in Leadership¹ is also a measure in the group scorecard so is one of the factors that informs ANZ's variable remuneration pool. The Human Resources Committee also reviews annual performance and remuneration outcomes. This review includes:

- analysing the following outcomes by gender: distribution of performance ratings, change in salary and short term incentives; and
- a focus on gender pay equity, with all outcomes reviewed by the CEO.

Gender diversity matters in connection with the Board are the responsibility of the NBO Committee.

13.3 Gender balance at Board, senior executive and leadership levels

As at the date of this report, ANZ's Board comprises eight directors, one Executive Director (the CEO), and seven Non-Executive Directors, three of whom are women. Female representation on the Board is now at 37.5%. The Board's current objective is to maintain at least 30% female representation on the Board. In the long term, the Board's aspirational goal is to have equal representation of females and males in its own composition.

ANZ has an objective to maintain at least 40% women as Key Management Personnel (KMP). Following the departure of Alexis George and Michelle Jablko, representation of women in KMP decreased to 33.3% during the 2021 financial year (from 50%). Three of ANZ's nine KMP are women: our Group Executive Digital and Australia Transformation; CEO New Zealand; and Group Executive Talent & Culture and Service Centres. Significantly, two of the key 'line' KMP roles with profit and loss accountability are held by women (the Group Executive Digital and Australian Transformation and CEO New Zealand).

Given ANZ has had a majority female workforce for many years (currently 51.3%), ANZ sets a measurable objective for achieving gender diversity in the composition of Women in Leadership rather than of the whole workforce. We consider this to be a more appropriate objective for ANZ as it focuses our effort on the levels most in need of improvement, being the most senior and influential levels of the bank.

We have an ongoing objective to increase Women in Leadership by 1% year on year (FY21–FY24). During the 2021 financial year, overall representation of Women in Leadership increased by 1.9% to 35.3%, our largest annual increase to date. Maintaining the focus on achieving gender balance remains a key priority across all of ANZ's geographies and businesses.

As at 30 September 2021, females were appointed to 44.5% of all employee directorships on subsidiary boards.

1. Women in Leadership comprises all roles within ANZ designated as Group 1, 2 and 3, including KMP.

13.4 Proportion of women in leadership roles and at ANZ

Results for the 2021 financial year are set out below, including how ANZ has defined senior executive for this purpose.

| Group [^] | 2022 Target | 2021 Target | 2020 Actual % of women | 2021 Actual % of women |
|---------------------------------------|--|--|------------------------|------------------------|
| Key Management Personnel ¹ | Increase representation of women as KMP to at least 40% | Maintain at least 40% women as KMP | 50% | 33.3% |
| Women in Leadership | Increase the representation of Women in Leadership by 1% year on year (FY21–FY24). | Increase the representation of Women in Leadership by 1% year on year (FY21–FY24). | 33.4% | 35.3% |
| ANZ Overall | N/A | N/A | 51.9% | 51.3% |

[^] "Group" includes all employees regardless of leave status (but not contractors, which are included in FTE).

¹. ANZ has defined 'Senior Executive' to mean "KMP", which means Chief Executive Officer and Disclosed Executives as set out in the Remuneration Report contained within the Annual Report.



Under the Workplace Gender Equality Act, ANZ is required to make annual public filings with the Workplace Gender Equality Agency (WGEA), disclosing its 'Gender Equality Indicators'. These reports are filed annually in respect of the 12 month period ending March 31. ANZ's latest filing is available on ANZ's website at anz.com.au/about-us/esg/workplace-participation-diversity/gender/.

Website

Details of ANZ's governance framework are located on ANZ's website at anz.com/corporategovernance. There you can read:

- the charters of the Board and each Board Committee; and
- many of the documents and policies mentioned in this Statement.

Compliance with governance recommendations

ANZ confirms it has followed the Recommendations of the ASX Corporate Governance Council throughout the 2021 financial year. The information in this Statement is current as at 27 October 2021 and has been approved by ANZ's Board.

This Statement, together with ASX Appendix 4G which relates to this Statement, has been lodged with ASX and is located on ANZ's website at anz.com/corporategovernance. Further information about ANZ is contained in ANZ's 2021 Annual Report.



More information on ANZ's approach to diversity and inclusion is available in the 2021 Annual Report and ESG Supplement (independently assured by KPMG).



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