

BOARD PEOPLE, CULTURE AND TRANSFORMATION COMMITTEE CHARTER

As at 5 March 2023

As part of Bendigo and Adelaide Bank Limited's (**Bank** or **BEN**) corporate governance framework, the Bank's board (the **Board**) has established a People, Culture and Transformation Committee (the **Committee**) which applies oversight, transparency and independent judgement to decisions regarding the Bank's people, culture, and transformation programs.

1. ROLE

- a) The Committee assists the Board to discharge its responsibilities in relation to the Bank's strategies, policies and practices relating to:
 - (i) people and culture (including remuneration); and
 - (ii) the delivery, benefits and risk oversight of key transformation programs including technology, digital and data strategies.
- b) The Committee's responsibilities apply in relation to the Bank and its subsidiaries (**Group**).
- c) In the discharge of its responsibilities, the Committee ensures that the strategies, policies and practices it oversees comply with legal and regulatory requirements, align with the Bank's purpose, values and strategic objectives and are consistent with the Bank's risk appetite and culture.
- d) Certain subsidiaries of the Bank that are regulated by the Australian Prudential Regulation Authority (**APRA**) delegate their remuneration committee functions to the Committee (**Regulated Subsidiaries**).

2. RESPONSIBILITIES

The Committee is responsible for:

2.1. Remuneration & Equity

- a) Overseeing the design, operation and monitoring of the remuneration framework including.
- b) Overseeing the preparation of any remuneration reports required by law or listing rules, or requested by the Board, including relevant remuneration sections of the annual report and other shareholder documents.

- c) **Reviewing and making recommendations to the Board** and Regulated Subsidiary Board(s) in relation to any sign on, retention or termination payments not set out in the Group pro forma employment contracts.
- d) **Reviewing and making recommendations to the Board** on the remuneration of a responsible person who is the Managing Director, an Executive Committee member, or a direct report to the Managing Director, and other Senior Managers including those identified by Prudential Standard CPS 511.
- e) **Reviewing and making annual recommendations to the Board** on the annual remuneration review of other specified employees on a cohort basis.
- f) In the case of a subsidiary issued with a RSE License (RSE Licensee), **reviewing and making annual recommendations to that subsidiary Board**, issued with the RSE License (RSE Licensee), on the remuneration of designated employees.
- g) Setting, monitoring and determining the variable reward framework in accordance with the Group Remuneration Policy and **making recommendations to the Board** for the thresholds for Annual Variable Reward that trigger deferral.
- h) **Reviewing and making recommendations to the Board** in relation to the introduction of a new equity plan, but otherwise exercise all powers and discretions of the Board under any equity plans including reviewing and approving:
 - (i) equity vesting results;
 - (ii) equity plan leavers;
 - (iii) equity grants (one-off or sign on);in accordance with the Group Remuneration Policy.
- i) **Reviewing and making recommendations to the Board** in relation to any material changes to superannuation arrangements.
- j) Setting, monitoring and determining the STI scorecard.
- k) **Reviewing and making recommendations to the Board** the remuneration report to be contained in the annual report.
- l) **Reviewing and making recommendations to the Board** on any entitlement to a group performance bonus for employees employed under the Enterprise Agreement where there is no provision for such an arrangement in the current Enterprise Agreement.
- m) **Making recommendations to the Board** on any proposal for sign on, retention or termination payments to employees who are designated employees or other additional management personnel.
- n) **Making recommendations to the Board** on the exercise of the Board's discretion to adjust performance-based components of remuneration, including any clawback with consideration to the Consequence Management Policy.

2.2. Delegations

- a) The Committee delegates authority to the CEO & MD in conjunction with the Chief People Officer to:

- (i) approve variations to employment contract terms for any persons who are not designated employees.
- (ii) determine the treatment of existing employee equity awards as part of a mutual agreement/negotiated exit which sit outside of the standard offer terms for any persons who are not designated employees and compliant with the requirement under CPS 511 which prohibits the acceleration of unvested awards at cessation of employment unless specific exemptions apply; and
- (iii) approve sign-on / completion / retention bonuses that may be delivered in cash or equity to new or existing employees with:
 - a. Fixed remuneration of less than AUD \$400,000; and / or
 - b. A sign on value of up to AUD \$100,000;

excluding persons who are designated employees whose remuneration requires Board approval.

2.3. Bias Review

Reviewing and determining whether there is any gender or other inappropriate bias in remuneration for directors, executive management or other employees and approving the corresponding plan of action to rectify identified gaps.

2.4. Policies

- a) Annually reviewing and approving amendments to
 - (i) the Minimum Shareholding Requirements and Policy.
 - (ii) the Group's Remuneration Policy, including conducting an assessment of the policy's application, effectiveness and compliance with the requirements of Prudential Standard CPS 510: Governance and Prudential Standard SPS 510: Governance.
 - (iii) The Responsible Person Policy.
 - (iv) the Clawback and Malus Policy and Risk and Remuneration Consequence Framework.

2.5. Risk Outcomes

- a) Annually receive comprehensive reporting to allow the Committee to determine whether remuneration outcomes of all remuneration arrangements align with CPS 511.
- b) Engaging with management to ensure that it obtains comprehensive reporting on risk & remuneration outcomes and arrangements to enable effective decision making.
- c) Monitoring risks arising from the annual assessment of the remuneration arrangements for service providers that pose a significant risk of conflict to the remuneration principles.

- d) Consulting with the Board Risk Committee, Chief Risk Officer and other Committee Chairs to enable risk outcomes to be appropriately reflected in remuneration outcomes. This will be an input when making recommendations to the Board on an individual or cohort basis, as required for Specified Roles under Prudential Standard CPS 511 Remuneration.
- e) Providing clear guidance to senior management on the Committees expectations in determining the appropriate level and timing of risk adjustment to the variable remuneration outcomes for persons in specified roles including the application of remuneration adjustments to Specified Roles under Prudential Standard CPS 511 Remuneration.
- f) Reviewing the conduct and reputational risk associated with the remuneration practices of the Group's franchise partners.
- g) Overseeing the approach to compliance with Prudential Standard CPS 511 Remuneration and reviewing and recommending to the Board proposed changes to Group remuneration policies and arrangements. This includes actioning findings from compliance and effectiveness reviews in an appropriate and timely manner.
- h) Overseeing the comprehensive review of the effectiveness of the remuneration framework by operationally independent, appropriately experienced and competent persons at least every three years and ensuring the outcome of this review is adequately considered and addressed.
- i) The Committee will obtain sufficient information to enable remuneration outcomes to be commensurate with performance and risk outcomes, determine whether the variable remuneration arrangement, individually and on a cohort basis, is appropriate to meet its intended purpose and expected remuneration outcomes; and supports the entity's compliance with Prudential Standard CPS 511.

2.6. Remuneration Disclosure

Reviewing and approving the remuneration disclosures required under APS 330 Public Disclosure.

2.7. People matters

- a) Providing oversight of people matters including employee engagement, development, attraction and retention.
- b) Providing oversight and monitoring of work health, safety and wellbeing and providing quarterly updates to the Board.
- c) Overseeing strategies to measure, monitor and transform culture at the Bank including establishing a Culture Insights Program with supporting tools and providing an annual Culture Integrated Insight report to the Board.
- d) Reviewing and making recommendations to Management in relation to employee engagement survey results.

2.8. Concerns / Whistleblowing Matters

Reporting of Concerns/whistleblower matters:

- a) Overseeing the effectiveness and implementation of policies and procedures for employees to submit, confidentially, information about matters which the employee has concerns. This includes ensuring that there is a process for ensuring employees are aware of these policies and for dealing with matters raised by employees under these policies.
- b) Receiving notification of material incidents reported under of the Group's Whistleblower Policy and any other applicable policy and providing a report to the Board every six months.

2.9. Anti Bribery & Corruption

Receiving notification of material breaches of the Bank's Anti-Bribery and Corruption Policy by Bank staff and escalating to the Board Risk Committee or Group Board where necessary.

2.10. Consequence Management

- a) Overseeing the implementation and operation of the Consequence Management Committee (**the CMC**), including performing an annual review of its effectiveness.
- b) Reviewing output from the CMC and Joint Committee and applying the Consequence Management Process and Policy for matters as follows:
 - (i) for Specified Roles, review the preliminary opinions on severity and accountability assessments provided by the CMC and Joint Committee and recommend the type and quantum of adjustment for final Board review and approval.
 - (ii) Note the application of consequences applied at CMC for "High" or "Very High" severity events for roles which are not specified and consider if further action is needed.
- c) Review and approval of the CMC Charter.

2.11. Executive Performance

Reviewing and recommending to the Board for approval the process for evaluating the performance of executive management.

2.12. Board & Board Committee Review

Design and implementation of the process to periodically evaluate the performance of the Board, its committees, and Directors, and conducting a Board Assessment annually.

2.13. BEN+

Providing governance and oversight of the BEN+ deliverables including:

- a) ensuring behavioral expectations are embedded into culture and risk frameworks.
- b) the design and implementation of the Tone from the Top enablement strategy.
- c) the production of Documented Enterprise Risk Capability descriptors.
- d) ensuring the workforce planning scope, framework, and tools are defined.
- e) the design and implementation of the Enhanced Enterprise Investment Prioritisation Process.
- f) reviewing and redesigning Board and Executive Committees where appropriate
- g) the design and implementation of a refreshed approach to Business IT systems and applications governance and responsibilities.
- h) the design and implementation of the training and data culture uplift program.

2.14. Diversity and inclusion

Overseeing strategies to measure, monitor and transform diversity and inclusion at the bank including the design, implementation, and regular assessment of policies and procedures..

2.15. FAR

Providing governance and oversight of the Bank's compliance with the Financial Accountability Regime (**FAR**) Act 2023.

This includes compliance with key personnel, notification, accountability and deferred remuneration obligations including FAR breaches and the remuneration and consequence management requirements of for Accountable Persons under FAR.

2.16. Nominations

- a) Reviewing and making recommendations to the Board where appropriate in relation to:
 - (i) board succession planning.
 - (ii) induction and continuing professional development programs for directors.
 - (iii) development and implementation of a process for evaluating the performance of the board, its committees and directors.
 - (iv) the process for recruiting a new director.
 - (v) the appointment and re-election of directors; and
 - (vi) ensuring there are plans in place to manage the succession of the Managing Director and other executive managers.
- b) Reviewing and making recommendations to the Board in relation to the Bank's board skills matrix.

2.17. Critical roles and succession planning

- a) Advising on the appointment and removal of the Managing Director, setting remuneration and performance criteria and monitoring performance.
- b) Setting the terms of employment of the Managing Director and undertaking succession planning.
- c) Overseeing the pro forma terms of employment for Executive Committee members and succession planning.
- d) Overseeing the talent review and succession planning for executive roles
- e) Reviewing and approving Executive performance objectives and goals

2.18. Corporate Governance

- a) Reviewing and recommending the adoption of the Corporate Governance Statement.
- b) Reviewing and recommending to the Board the publication and distribution of shareholder notices of meeting.
- c) Providing input on corporate governance matters and any changes to governance practices at the Bank.

2.19. Transformation

- a) Reviewing transformation program reporting to oversee the overall health of the program, including progress against strategic outcomes and key performance indicators.
- b) Receiving reports on the achievement of benefits.
- c) Overseeing the appropriate management of portfolio level risks and issues.
- d) Reviewing and approving technology, digital and data strategies and their alignment with the Bank's corporate strategy.
- e) Reviewing and recommending to the Board any investments in transformation outside the delegated authority provided by the Board to the Managing Director.
- f) Receiving updates on technology-related regulatory developments that may affect the Bank.

2.20. Policies

Reviewing and approving (or recommending to the Board for approval) Bank policies, public position statements and disclosures relating to people, culture and/or transformation programs.

3. TERMS OF OPERATION

3.1 Composition

- a) The Committee comprises at least three independent, non-executive Directors of the Bank (**Committee Members**).
- b) Committee Member appointment and rotation is at the discretion of the Board.
- c) The Board appoints one Committee Member as Committee Chair.

3.2 Meetings

- a) The Committee meets at least quarterly and as often as the Committee or Board deems necessary for the Committee to discharge its role effectively. Each year the Committee approves a meeting planner setting out the standing items of business, reports and policy reviews to be considered during the year
- b) The Committee Chair reports to the Board on the outcomes of Committee meetings.
- c) A quorum is two Committee Members.
- d) Representatives of the Board Risk Committee, Board Financial Risk Committee and Board Audit Committee as well as the Chief Risk Officer may attend the Committee meeting that considers the remuneration outcomes for responsible person roles identified in the Remuneration Policy, enabling risk outcomes to be appropriately reflected in those individuals' remuneration outcomes.
- e) The Chief People Officer, Chief Risk Officer and the Chief Transformation Officer have a standing invitation to attend all Committee meetings.
- f) The Committee may, by invitation, request employees and third parties to attend Committee meetings on a standing or ad hoc basis.
- g) Minutes of each Committee meeting is provided to the next meeting of the Committee. Approved Committee minutes are tabled at the next Board meeting.

3.3 Access to information and independent advice

- a) The Committee has free and unfettered access to other Board Committees, Group employees and other internal and external parties in carrying out its responsibilities. It is entitled to meet with employees and third parties without the presence of management.
- b) The Committee may take such independent legal, financial, remuneration, recruitment, or other advice as it considers necessary at the cost of the Bank.
- c) The Committee approves any remuneration consultancy agreement in relation to KMP. The Committee Chair or Board Chair receives any remuneration recommendations from the consultant directly.

3.4 APRA

Committee members will meet with APRA on request.

3.5 Committee performance

- a) The Committee assesses its performance annually.
- b) The Committee reviews this Charter at least every three years and recommends any amendments to the Board.

3.6 Delegation

The Committee may delegate its responsibilities to a sub-committee of one or more Committee Members for a specific purpose. Any such sub-committee will report directly to the Committee.

Adopted by the BEN Board	25 March 2024
Last revised	5 March 2024
Next review date	March 2026
BEAR Accountable Person	Each member of the Board People, Culture and Transformation Committee
Regulated Subsidiaries at the date of last review (defined in section 1(d))	Bendigo Superannuation Pty Ltd