

BOARD CHARTER

Westpac New Zealand Limited.

Effective from 1 June 2022.



Purpose.

1. This Board Charter (Charter) sets out the role, responsibilities, structure, and processes of the Board.

Board role and responsibilities.

2. The business and affairs of Westpac New Zealand Limited (WNZL) must be managed by, or under the direction or supervision of, the Board. The Directors must act in good faith and in what they believe to be the best interests of WNZL as required by WNZL's Conditions of Registration, its Constitution and the Companies Act 1993. In doing so, the Board will provide leadership and strategic guidance for WNZL and its subsidiaries and effective oversight of management. In performing its role, the Board aspires to excellence in governance standards.
3. The key responsibilities of the Board are as follows:
 - (a) Approving, and overseeing management's implementation of, the strategic direction of WNZL and significant corporate strategic initiatives for WNZL.
 - (b) Overseeing the implementation of WNZL's governance frameworks, monitoring the effectiveness of governance practices and considering emerging governance issues and trends.
 - (c) Approving WNZL's annual budget, in consultation with Westpac Banking Corporation (WBC), and monitoring financial performance against the approved budget.
 - (d) Approving WNZL financial statements and Disclosure Statements, and oversight of the quarterly financial results for the NZ Banking division of WBC.
 - (e) Approving appropriate accounting policies and overseeing the performance of appropriate controls and processes, to ensure integrity in financial and non-financial reporting systems, and in the timeliness and balance of corporate disclosures.
 - (f) Reviewing and approving (in accordance with WNZL's Conditions of Registration, the Constitution and the WNZL Dividend Policy) the amount, nature, and timing of dividends to be paid.
 - (g) Considering and approving WNZL's Risk Appetite Statement, having regard to the WBC Risk Management Strategy and frameworks for managing all categories of risk as relevant to WNZL.
 - (h) Monitoring the effectiveness of risk management frameworks, including satisfying itself through appropriate reporting and oversight that appropriate internal control mechanisms are adequate and effective.
 - (i) Assessing and determining whether to accept risks beyond the authority provided to management.
 - (j) Promoting an effective risk culture, including by:
 - (i) championing the relevant behaviours and setting an appropriate tone from the top;
 - (ii) overseeing the extent to which that risk culture supports the ability of WNZL to operate consistently within WNZL's Risk Appetite Statement, and
 - (iii) overseeing any desirable changes to the risk culture.
 - (k) Approving policies and frameworks required to be approved by the Board.
 - (l) Ensuring an open, transparent and timely dialogue with the external auditors and, where appropriate, principal regulators, supporting the Board to monitor compliance with all regulatory requirements.
 - (m) Approving the appointment and termination of the external auditor (including associated recommendations to WNZL's shareholder for approval).
 - (n) In conjunction with the Board Audit Committee, overseeing the performance and ongoing independence of the internal and external auditors.
 - (o) Approving WNZL's sustainability strategy and oversight of the social, ethical, and environmental impact of WNZL's activities, setting standards and monitoring compliance with WNZL's sustainability policies and practices.
 - (p) Approving WNZL's climate-related disclosures.
 - (q) Appointing and determining the terms of appointment of WNZL's Chief Executive (CE) and making decisions relating to the employment or termination of employment of the CE, in each case, in consultation with WBC.
 - (r) Determining the corporate goals and objectives relevant to the remuneration of the CE and evaluating the performance of the CE considering these goals and objectives, in consultation with WBC.
 - (s) Reviewing succession plans for the CE and members of executive management.

- (t) Maintaining oversight of whether the CE and members of executive management have the skills, knowledge, and resources to perform their required tasks effectively, including risk management related tasks.
 - (u) Establishing and approving significant changes to, WNZL's organisational structure.
 - (v) Selecting, appointing and determining the terms of appointment (including associated remuneration), and removal of, the Chief Internal Auditor.
 - (w) Approving the Remuneration Policy for WNZL and the over-arching governance of WNZL's remuneration arrangements, including its compliance with applicable New Zealand laws and regulatory standards and supporting WBC's compliance with Australian Prudential Regulation Authority and other legal requirements, and having regard to WBC policies.
 - (x) Providing oversight and monitoring of Health, Safety and Wellbeing issues and considering appropriate reports and information.
 - (y) Providing oversight and monitoring of WNZL's compliance with its obligations under the Credit Contracts and Consumer Finance Act 2003.
 - (z) Approving WNZL's Code of Conduct.
4. Without derogating from their obligation to satisfy themselves that all decisions are in the best interests of WNZL, Directors may consult with and consider WBC's views and policies.

Role of and delegation to Chief Executive.

- 5. The CE is responsible for the development of strategic objectives for the business and the achievement of the planned results for WNZL.
- 6. Management of WNZL's day to day operations is undertaken by the CE, subject to specified delegations of authority approved by the Board.
- 7. Any matters or transactions outside the delegations of authority must be referred to the Board for approval.
- 8. The CE, in consultation with the Board Chair, is responsible for ensuring the Board has the information necessary to enable effective decision-making and that agendas are structured to ensure cohesion across items and with Board committee agendas where matters are referred, and appropriate focus on priority topics.
- 9. Management is responsible for the preparation, presentation, quality and integrity of information provided to the Board. The Board may request access to any information it considers necessary to perform its role.

Board size and composition.

10. The Board is responsible for:
- (a) assessing the skills required to discharge competently the Board's duties, having regard to WNZL's performance, financial position and strategic direction, including specific qualities or skills that the Board believes are necessary for Directors to possess;
 - (b) identifying and evaluating possible future Directors to be appointed to the Board and in doing so, considering the optimal size, composition and mix of skills, experience, expertise and diversity necessary for an effective Board; and
 - (c) making recommendations to WBC for the appointment, renewal of appointment or removal of Directors subject to the Reserve Bank of New Zealand having advised that it has no objection to that appointment.
11. Collectively, the Board members should have a broad range of financial, strategic, risk management and other relevant skills, experience and knowledge necessary to guide the business of WNZL and otherwise meet the expectations set out in relevant regulatory requirements.

Chair.

12. The Chair will be an Independent Non-executive Director and is appointed and may be removed in accordance with the Conditions of Registration and the Constitution.
13. The Chair is responsible for:
- (a) fostering a constructive governance culture and overseeing the Board's performance of its role in accordance with this Charter;
 - (b) leading the Board, facilitating the effective contribution of all Directors and promoting a constructive and respectful relationship between the Board and management; and

- (c) the conduct of all Board meetings (in consultation with the CE and Company Secretary) including setting the agenda, allowing adequate time for discussion of key agenda items and promoting effective decision making that is consistent with the Board-approved strategy.

Company Secretary.

14. The Company Secretary (or anyone acting in this position) is responsible for the co-ordination of all Board business, including agendas, board papers, minutes, relevant communication with regulatory bodies and relevant statutory and other filings.
15. All Directors shall have direct access to the Company Secretary.

Board Committees.

16. The Board has established Board Committees to assist the Board in exercising its authority.
17. The standing Board Committees are:
- (a) Board Audit Committee;
 - (b) Board Risk and Compliance Committee;
 - (c) Board People and Remuneration Committee; and
 - (d) Board Technology Committee.
18. The Board may establish ad hoc Board Committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.
19. The Board will approve the charters of standing and ad hoc Board Committees, which will set out the roles and responsibilities of each Board Committee and any Board to Board Committee delegations.
20. The Board will determine the membership and composition of Board Committees, having regard to workload, skills, experience and any regulatory requirements.
21. The Board will monitor the performance of its Board Committees and the exercise of any delegated authorities by reasonable methods, including through regular reports on Board Committee proceedings from the Board Committees to the Board.

Board meetings.

22. It is anticipated that the Board will meet at least seven times a year, with the frequency and type of such meetings being determined by the Chair. The provisions relating to the Proceedings of Directors, set out in clause 16 of the Constitution, apply.
23. The Chair and other members of the Board will be available to meet with WNZL's regulators on request.
24. The Board may request any officer or employee of WNZL, external legal counsel or any person or group with relevant experience or expertise to attend meetings of the Board or to meet with any members of, or advisers to, the Board.
25. Where approvals are granted outside a meeting of the Board, a report is to be provided to the next meeting of the Board.

Reporting.

26. The Board will send to the WBC Board all agendas and minutes of Board meetings and Board Committee meetings and any other information concerning the Board's activities which the WBC Board may request, subject to any legal or regulatory requirements which may prevent disclosure.

Director independence.

27. Independence of Directors (including the Chair) will be assessed (and reassessed from time to time) in accordance with applicable regulatory requirements.
28. The Board collectively and each Director individually, has the right to seek independent professional advice at WNZL's expense, subject to the approval of the Chair, or the Company Secretary.

Board performance.

29. The Board will assess and review the performance of the Board, Board Committees, and individual Directors annually.

Expectations of Directors.

30. Board members are expected to observe the highest standards of ethical behaviour and to maintain sufficient knowledge of WNZL's operations and key legal and regulatory obligations applicable to WNZL.
31. Board members are expected to comply with the WNZL Code of Conduct and any other WBC and WNZL policies and protocols that apply to Directors, to the extent applicable and subject at all times to clause 4 above.
32. The Board supports and encourages policies within WNZL which require Directors and employees to observe high standards of personal integrity and display honesty in their dealings.
33. Each Director, supported by the Chair and management, is responsible for undertaking appropriate training as necessary to maintain their effectiveness as a Director.

Conflicts of interest.

34. Directors are expected to avoid any action, position or interest that conflicts with an interest of WNZL (or gives the appearance of a conflict).
35. A Director who has a material interest in a matter that relates to the affairs of WNZL must give the other Directors notice of such interest. Declared interests will be dealt with in accordance with any applicable policies.
36. The Company Secretary will maintain a register of declarations of interest by Directors and report them to the Board as necessary.

Review of Charters.

37. Board and Committee Charters will be reviewed every two years or as required.

