CBA Board Appointment, Renewal and Performance Policy

Purpose

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This Policy sets standards for the appointment, independence, renewal, evaluation and tenure of Directors on the Board. The Policy's purpose is to facilitate appropriate appointments and renewals so that the Board can effectively discharge its responsibilities.

Policy statement

Appointments and renewals of Directors may only occur if the candidate, selection process, remuneration and tenure arrangements, and appointment approvals meet the requirements of this Policy.

Policy requirements

Board composition

1. The Board must:
   - comprise a maximum of 13 Directors and a minimum of nine, with a majority of independent Non-Executive Directors (under the Independence Standards in this Policy), and not more than three Executive Directors;
   - have at least two thirds of Directors being ordinarily resident in Australia;
   - have a Chair who is ordinarily resident in Australia; and
   - collectively, have the appropriate mix of skills, experience and diversity to allow effective Board deliberations and processes.

Board diversity

2. The Board must maintain at least 40% female membership, 40% male membership and 20% of any gender that holds the relevant skills and experience.
3. Reporting against the Board gender diversity target must be provided to the Nominations Committee at least annually.

Board leadership

4. The Board must appoint a Chair.
5. Each Board Committee must appoint a Committee chair.

Non-Executive Director selection criteria

6. The Board must, on receiving a recommendation from the Nominations Committee, evaluate Non-Executive Director candidates having regard to the Director Appointment Criteria set out in Appendix A.
7. The Nominations Committee may engage professional consultants, in accordance with the Group Supplier Lifecycle Policy, to identify prospective Non-Executive Director candidates for the Board.

Chief Executive Officer

8. The Board appoints the Managing Director and Chief Executive Officer of CBA. The CEO is remunerated under their employment contract and does not separately receive fees for their services as a Director.

Non-Executive Director remuneration

9. Non-Executive Directors receive fees for their services. The aggregate amount of Non-Executive Director fees payable is capped at the shareholder approved fee pool limit.

10. The Board, on the recommendation of the People & Remuneration Committee, determines the fees payable to each Non-Executive Director within the current fee pool limit.
11. Any fee changes applied to Non-Executive Directors will be communicated to the relevant Director by Group Secretariat.

FAR

12. Each prospective Director must:
    - have their suitability to be an Accountable Person under the FAR confirmed by CBA;
    - be registered with the Regulators as an Accountable Person at least 21 calendar days prior to commencing as a Director (or such other period as permitted under the FAR Act); and
    - both prior to commencing and once they have commenced, notify the Chair (or in the case of the Chair, the Audit Committee Chair) and the Group General Counsel, as soon as possible, on becoming aware of circumstances which may result in the Director being assessed as not suitable to be an Accountable Person.

Fit and proper

13. Directors must:
    - be assessed as fit and proper under the relevant prudential standard and the Group Fit and Proper Policy (including satisfactory background checks) prior to commencing as a Director and thereafter on an annual basis; and
    - notify the Chair and Group Company Secretary as soon as possible of any circumstances which may result in the Director not being assessed as fit and proper. In the case of the Chair, the Group Company Secretary and Group General Counsel are required to be notified.

Independence

14. A Non-Executive Director is independent where they are free of any Interests that might influence, or could reasonably be perceived to influence, in a material respect the exercise of independent judgement to bear on issues before the Board and to act in the best interests of CBA as a whole rather than in the interests of an individual security holder or other party.
15. The Board and Nominations Committee determine Non-Executive Director independence in line with the Independence Standards set out in Appendix B.
16. In addition, all Directors must:
    - disclose all Interests prior to their appointment and promptly as and when circumstances change;
    - consult with the Chair prior to accepting a board or similar position so that possible conflicts, regulatory and other implications can be considered; and
    - disclose any Interests with the Group's external auditor to the Group Company Secretary and Board.
17. These disclosure obligations extend to Interests held by Associates of a Director.
18. Following Nominations Committee assessment and recommendation, the Board must consider the independence of each of its Non-Executive Directors against the Independence Standards set out in Appendix B:
    - on an annual basis (and disclose which Directors the Board considers to be independent in the Corporate Governance Statement); and
    - on an ad hoc basis as required when a Director's Interests change.

Board appointments

19. Appointment of Directors to the Board must be in accordance with the Constitution, Board and Nominations Committee charters, and applicable laws and regulations.
20. When appointing Non-Executive Director candidates, the Board must have regard to the Director Appointment Criteria set out in Appendix A, except in exceptional circumstances (as approved by the CBA Chair).
21. The Board will provide shareholders full and fair disclosure of all material information relevant for a shareholder to make a properly informed decision to elect a Director at an annual general meeting, including a recommendation on that Director's election.

Letter of appointment

22. Each Director must be provided with a letter of appointment setting out the key terms of their appointment.

Induction and continuing education programs

23. All newly appointed Directors must participate in an induction program as approved by the Nominations Committee from time to time.
24. The induction program will be presented by relevant members of senior management and include a briefing by the Group Auditor or their delegate, and the external auditor.

Board renewal

25. The Board, with the assistance of the Nominations Committee, reviews its size and composition against its Board skills matrix and with regard to Directors' tenure on an annual basis to confirm it has an appropriate mix of skills, experience and diversity. When performing this assessment, the Board and Nominations Committee should consider diversity in a broad sense as set out in the Group Diversity, Equity and Inclusion Policy (e.g. gender, age, cultural and ethnic background, perspective and experience).
26. Following its annual performance review, the Board will determine whether to recommend to CBA's shareholders the election or re-election of those Directors standing at the next annual general meeting.

Board Non-Executive Director tenure

27. Non-Executive Directors usually serve a term of three years from the date first elected by shareholders. No Non-Executive Director may hold office without re-election beyond the third AGM following the meeting at which they were elected or last re-elected.
28. The Board may recommend that shareholders re-elect a Non-Executive Director for a further three years at the end of a three-year or six-year term, if the Board first determines that the re-election would benefit CBA.
29. In the case of a nine-year term, the Board may recommend that shareholders re-elect a Non-Executive Director for further one year terms, should circumstances deem it appropriate, subject to the Director's total term not exceeding 12 years.

Skills matrices

30. Board and Committee skill matrices which set out the skills and experience considered essential for the effectiveness of the Board and its Committees are reviewed annually so that the prescribed skills and experience address CBA's existing and emerging strategic, business and governance objectives.

Annual Board evaluation

31. The Board and Committees must undertake a written Board and Committee evaluation of their performance annually, with the performance review being undertaken by an external independent party at least once every three years. The performance of each Director must also be evaluated during the annual evaluation process.

Alternate Directors

32. The sections of this Policy dealing with Director appointment and assessment (including independence) apply equally to any alternate Director candidate as though the candidate were the original Director.



Accountabilities

Role	Accountabilities
Board (Governance body)	• Appointing a Chair. • Appointing a Managing Director and Chief Executive Officer of CBA. • Appointing all Non-Executive Directors and Executive Directors to the Board. • Determining the fees payable to each Non-Executive Director within the current fee pool limit on the recommendation of the People & Remuneration Committee. • Evaluating Director candidates having regard to the Director Appointment Criteria. • Annually reviewing its own size and composition against its Board skills matrix and with regard to Directors' tenure, with the assistance of the Nominations Committee. • Consider, at least annually, the independence of each Non-Executive Director in accordance with the Independence Standards (in conjunction with the Nominations Committee).
Nominations Committee (Governance body)	• Approving this Policy. • Approving/refusing Exemptions to this Policy. • Assessing and reporting to the Board, at least annually, the independence of each Non-Executive Director in accordance with the Independence Standards. • Approving an induction program for newly appointed Non-Executive Directors.
People & Remuneration Committee (Governance body)	• Recommending the fees payable to each Non-Executive Director.
EGM Group Secretariat & Group Company Secretary (Line 1)	• Monitoring and reporting on compliance with this Policy to the Nominations Committee. • Communicating any fee changes applied to Non-Executive Directors to the relevant individual Directors.
Group Risk Management Functions (Line 2)	• Supporting BU/SUs in implementing and meeting the requirements of this Policy and supporting procedures.
Group Audit & Assurance (Line 3)	• Providing independent assurance that the Group's risk management, governance and internal control processes are operating effectively, as per the approved audit plan.

Compliance statement

This Policy forms part of the Group's framework on Group governance. Compliance with this Policy supports the Group in meeting its prudential obligations under APRA's Prudential Standard CPS 510.

Breach of Policy

Consequences

Breach of this Policy will be regarded as misconduct, which may lead to disciplinary action (including and up to termination of employment or engagement, and removal from office as a Director as relevant).

Failure to follow this Policy may also give rise to severe consequences for the Group including penalties, fines, sanctions, reputational damage and/or loss of stakeholder trust.

Escalation

Potential or actual breaches of this Policy must be escalated according to the Group Issue Management Procedure or Group Incident Management Procedure.

Definitions

In this Policy, defined terms are capitalised. Those terms have the meaning given to them below or, if not defined below, in the Group Policy Framework Glossary.

Accountable Entity

A constitutionally covered body that is an authorised deposit-taking institution or its authorised non-operating holding company.

Accountable Person or AP

An individual who holds a position:

- in CBA that is prescribed by the FAR Minister Rules;
- in, or relating to, CBA which has responsibilities that are prescribed by the FAR Minister Rules; or
- in CBA or an SRE with actual or effective senior executive responsibility for the management or control of:
  - CBA; or
  - a significant or substantial part or aspect of the operations of CBA, or CBA and its SREs.

A list of the prescribed responsibilities is set out in the Group FAR Procedure.

Associate

Any:

- spouse, partner or dependent child (including dependent adult children and dependent step-children);
- relative residing with the Director;
- other family member for which the Director controls or influences Trading in Securities (as defined in the Group Personal Trading Policy); and
- companies, trusts, partnerships and other entities that the Director, or any of the above-mentioned persons, controls or significantly influences.

Board

Board of Directors of CBA.

CBA

Commonwealth Bank of Australia (ACN 123 123 124).

Constitution

Constitution of CBA as amended from time to time.

CEO

Managing Director and Chief Executive Officer of CBA.

Chair	The Chair of the Board.
Committee	A committee of the Board.
Corporations Act	*Corporations Act 2001* (Cth), as amended from time to time.
Director	A director of CBA (including a Non-Executive Director and an Executive Director).
Director Appointment Criteria	The criteria for appointment as a Director set out in Appendix A.
Employees	Full-time, part-time and casual employees of the Group.
Executive Director	A Director or prospective Director of CBA who is involved in the Group's management in their capacity as an Employee.
FAR	Financial Accountability Regime as set out in the FAR Act.
FAR Act	*Financial Accountability Regime Act 2023* (Cth), as amended from time to time.
FAR Minister Rules	*Financial Accountability Regime (Minister) Rules 2024* (Cth), as amended from time to time.
Group	CBA and its Subsidiaries.
Group Auditor	Chief internal auditor for the Group.
Independence Standards	Independence standards for the Board as set out in Appendix B.
Interests	Contracts, positions, associations, relationships and other interests.
Non-Executive Director	A Director or prospective Director of CBA who is not an Employee.
Nominations Committee	Nominations Committee of the Board.
People & Remuneration Committee	People & Remuneration Committee of the Board.
Regulators	APRA and/or ASIC, as the context requires.
Significant Related Entity or **SRE**	A body corporate that: • is a Subsidiary; • is a constitutionally covered body as defined in section 13 of the FAR Act; • is not an Accountable Entity itself; and • it, or its business or activities, has (or is likely to have) an effect on CBA, or the business or activities of CBA, that is material and substantial.
Subsidiary	The meaning given to that term in section 9 of the Corporations Act and means a subsidiary of CBA.
Substantial Shareholder	A person who has 'substantial holding' in CBA, as defined in section 9 of the Corporations Act.

Policy governance

Approver	Nominations Committee
Exemption Authority	Nominations Committee
Owner	EGM Group Secretariat & Group Company Secretary
Support	Group Secretariat
Review Cycle	Triennial (Next scheduled August 2029)

Relevant documents

Related internal documents	CBA Constitution Group Policy Framework Glossary Group Conflicts Management Policy Group Fit and Proper Policy Group Diversity, Equity and Inclusion Policy Group FAR Policy
External sources of obligations	APRA Prudential Standard CPS 510, Governance APRA Prudential Standard CPS 520, Fit and Proper *Corporations Act 2001* (Cth) *Financial Accountability Regime Act 2023* (Cth) ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 4th Edition*

Material revisions

Version	Approval Date	Effective Date	Details
1.0	7/8/2023	1/10/2023	New policy.
2.0	14/10/2024	16/10/2024	Changes to update FAR related definitions and terminology approved by Nominations Committee
3.0	17/6/2026	13/8/2026	Minor updates after triennial review

Appendix A

Director Appointment Criteria

Principles

Specific criteria will be considered for each Director appointment having regard to the nature of the business conducted by CBA at the time, the size and composition of the Board, the Board skills matrix, and:

- the collective capability of the Board in terms of the mix of skills, experience and diversity required relative to the Group's strategy, finance, operations and risk management;
- the Board's succession plans and development intentions; and
- the need to have a sufficient number of Directors with Chair potential on the Board.

Requirements for all Directors

The minimum requirements for all Directors are:

- the absence of conflicts of interest (actual, potential or perceived) or other legal impediments to serving on the relevant Board;
- the initial and ongoing satisfaction of any applicable fit and proper requirements under APRA Prudential Standard CPS 520, the Group Fit and Proper Policy and under the FAR;
- a willingness and availability to manage the time commitment to attend, and effectively participate in, regular meetings and serve on any Committees;
- the potential to serve for a sufficient time (generally six to nine years) to contribute to the Board's stability and succession plans;
- a commitment to act in accordance with the Group's values and to maintain the highest corporate governance standards;
- the skills and experience needed to contribute to the Board's performance in relation to strategy and oversight of the Group's finance, operations and risk management;
- the ability to participate in constructive debate and both appropriately challenge and support management;
- the ability to operate as part of a team and contribute to an effective Board; and
- a commitment to participate in all education and training provided in relation to the role.

Requirements specific to Non-Executive Directors

In addition, each Non-Executive Director must have demonstrated experience in a position of leadership preferably as a director, chief executive officer and/or senior business executive.

Independence Standards

Principles

- To describe a director as "independent" carries with it a particular connotation that the director is not aligned with the interests of management or a Substantial Shareholder and can and will bring an independent judgement to bear on issues before the board[1].
- A CBA independent Director is independent of management and free of any Interests that might influence, or could reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of CBA as a whole rather than in the interests of an individual security holder or other party.
- Directors may have personal dealings with CBA and/or the Group and may hold offices with other organisations which may have dealings with the Group. These circumstances are not, in themselves, sufficient to impair the independence of a Director.
- It is not possible to exhaustively list all factors that may affect independence. In assessing and considering a Director's independence, the Nominations Committee and Board will consider the specific criteria below, the approach and attitude of the Director candidate or Non-Executive Director and all other relevant factors (including Materiality).

Independence criteria

The Board will have regard to the following factors in considering if a Director should be characterised as an Independent CBA Director.

The Director:

- is not a Substantial Shareholder, does not represent a Substantial Shareholder, and is not and has not been within the last three years an officer or employee of, or professional adviser to, a Substantial Shareholder;
- is not, and has not within the last three years been:
  - employed by CBA or any Subsidiaries; or
  - in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with CBA or any Subsidiary, or is an officer of, or otherwise associated with, someone with such a relationship;
- does not receive performance-based remuneration (including options or performance rights) from, or participate in an employee incentive scheme of, CBA[2];
- does not have close personal ties[3] with any person who cannot satisfy any of the criteria above;
- has not served on the Board for such a period that their independence from management and Substantial Shareholders may have been compromised; and
- has no other Interest that might influence, or could reasonably be perceived to influence, the exercise of their independent judgement and ability to act in the best interests of CBA.

[1] ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* 4th Edition, Recommendation 2.3.
[2] Note, the optional NED Share Plan is not considered an employee incentive scheme.
[3] Close personal ties may be based on family, friendship or other social or business connections.

Materiality

Materiality of the Interest is assessed having regard to each individual Director's circumstances. For each of the criteria above:

- the materiality of the Interest or circumstances needs to be assessed by the Board to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of CBA as a whole rather than in the interests of an individual security holder or other party; and
- the Board may have regard to any quantitative and qualitative factors on a case by case basis that it considers relevant and reasonable.