# Board Charter

## Introduction

1. This Charter outlines the role, responsibilities and composition of the Board of the Commonwealth Bank of Australia (**CBA** or **Bank**) and the manner in which it discharges its responsibilities for CBA and its subsidiaries (**Group**).

## Purpose

2. The primary purpose of the Board is to oversee the sound and prudent management of the Group, provide leadership and strategic guidance, and to oversee delivery of the Group's Purpose.

## Role and Responsibilities of the Board

3. The key responsibilities of the Board are to:
   - Approve the strategic objectives and risk appetite of the Group;
   - Approve the Group's Code of Conduct to set the Board's expectations for the Group's values and desired culture;
   - Appoint the Bank's Chief Executive Officer (**CEO**); and
   - Oversee the management, performance and corporate governance frameworks of the Group.
4. In carrying out its role, the Board is expected to:
   - Have regard to the interests of the Group's customers, shareholders, employees, regulators and the broader community in which the Group operates; and
   - Operate in accordance with the CBA Constitution, this Charter, relevant Group policies and applicable legal and regulatory requirements.

### Delegations of Authority

5. In fulfilling its responsibilities the Board may delegate, and has delegated, authority for certain matters. The key matters delegated to Board Committees are outlined in each Committee Charter. The key matters delegated to the CEO are outlined below in the section entitled *Role and Responsibilities of the Chief Executive Officer*.
6. The Board approves the Group Delegations Policy.
7. Any matter expressed to be delegated by the Board to the CEO or described as a responsibility of the CEO, as referred to in any paragraph of this Charter, is subject to the powers reserved by the Board or delegated to its Committees, any specified directors or to management committees. Those limitations may be expressed in approvals recorded in, and the content of, the Board and Committee charters, resolutions and minutes, the Group Delegations Policy and other Group policies.

### Matters Reserved for the Board

8. In addition to the matters required to be the responsibility of the Board by the CBA Constitution, the law, and Board-approved Group policies, the Board has reserved the following matters, and is responsible for the matters specified in paragraphs 9 to 44 below.

**Strategy, Performance and Financial Plans**

9. Reviewing the strategic and business unit plans, and approving the financial plans to be implemented by management.
10. Overseeing the business of the Group by:
    - Except to the extent delegated to the CEO:
        - Approving major corporate initiatives;
        - Approving acquisitions, entering into new, strategically material or sensitive partnerships, new business ventures, new industries or operating in new countries; and
        - Approving external investments, divestments, and operational expenditure; and
    - Monitoring the performance of management directly and through its Board Committees.

**Purpose and Culture**

11. Approving the Group's Purpose and Code of Conduct, and reviewing relevant reports from management.
12. Monitoring the culture of the Group (including by forming a view on the risk culture) and overseeing the Group's Code of Conduct.
13. Monitoring management's actions to strengthen the desired organisational culture and address weaknesses.

**Risk Management**

14. Overseeing the Group's Risk Management Framework and its operation by management.
15. Approving the Group's risk appetite, within which the Board expects management to operate, and the Group Risk Appetite Statement.
16. Approving the Group's Risk Management Approach and any key risk frameworks and policies for managing financial and non-financial risks that require, or are reserved for, Board approval.
17. Overseeing management's identification, assessment and management of strategic and emerging material risks including reputational risk.
18. Receiving from management material correspondence from regulators and reports on management's interactions with regulators, as well as maintaining open and constructive relationships with regulators.
19. Making an annual Risk Management Declaration to the Australian Prudential Regulation Authority (**APRA**) as required under prudential standards.
20. Approving the business continuity plans and tolerance levels for disruptions to critical operations, reviewing the results of testing and overseeing the execution of any findings.
21. Approving the Group Service Provider Policy, and reviewing risk and performance reporting on material service providers.

**Customer Experience and Outcomes**

22. Overseeing the Group's efforts to improve the experience and outcomes of CBA customers.

**Capital, funding and liquidity**

23. Approving capital management initiatives relating to: payment of dividends, operation of the Dividend Reinvestment Plan (**DRP**), share issues, share buy backs or capital returns, transactions that require the

issue of a prospectus by CBA, or transactions that result in the issue of a security that could be exchanged for CBA ordinary shares, and policies and processes, including the Internal Capital Adequacy Assessment Process, approving the Group Capital Policy, the Capital Management of Subsidiaries and Branches Policy, the Recovery and Exit Plan, the Resolution Plan, and the DRP rules.

24. Approving the Annual Funding Plan, Contingency Funding Plan, Group Liquidity Policy and Group Stress Testing Policy.

**Financial Reporting**

25. Approving the Group's half and full-year financial statements and reports, sustainability reporting, the half and full-year Pillar 3 reports, and the quarterly trading updates.

26. Overseeing the integrity of the Group's accounting and corporate reporting systems, including the External Audit.

**External Auditor**

27. Considering recommendations of the Audit Committee on seeking shareholders' approval for the appointment and removal of the Bank's External Auditor.

**Continuous Disclosure**

28. Overseeing CBA's process for making timely and balanced disclosure of all material information concerning CBA that a reasonable person would expect to have a material effect on the price or value of the Bank's securities.

**The CEO and Management**

29. Appointing, replacing and assessing the performance (in conjunction with the Audit, Nominations, Risk & Compliance and People & Remuneration Committees) of the CEO.

30. Approving the appointment of a CBA Company Secretary.

31. Approving the appointment of the CEO's direct reports[1] and reviewing the CEO's assessment of performance of the CEO's direct reports.

32. Overseeing succession planning for the CEO and the CEO's direct reports (in conjunction with the Nominations Committee and the People & Remuneration Committee).

**Remuneration and Performance**

33. Approving the Group's remuneration principles and strategic objectives for remuneration frameworks and the Group Remuneration Policy.

34. Approving the remuneration arrangements, including remuneration deferrals and breach consequences under the Group FAR Policy and Procedure, performance scorecard measures and outcomes, at least annually, and termination payments as required, for the CEO, the CEO's direct reports or as required by regulators or relevant Group policies, following an assessment of performance and risk behaviours.

35. Approving new, or material[2], amendments to performance management frameworks, variable remuneration plans, employee and non-executive director (**NED**) equity plans, employee superannuation and pensions, and benefits of material value to employees.

[1] **CEO's direct reports** refers to all Group Executives (GEs) and excludes those direct reports of the CEO that are not GEs. The Board of ASB Bank Limited retains direct responsibility for any decision relating to the appointment, and performance and remuneration, of its Chief Executive Officer.

[2] The materiality of amendments will be determined by the Executive General Manager, Talent, Performance & Reward on agreed terms with the People & Remuneration Committee.

36. Determining the fees payable to CBA NEDs within the shareholder approved fee pool limit.

Diversity

37. Approving the Group Diversity, Equity and Inclusion Policy, and approving measurable diversity objectives and metrics (in conjunction with the Nominations and People & Remuneration Committees).

Environmental & Social

38. Considering the environmental and social impact of the Group's activities and approving the Group Environmental & Social Framework and Policy..

39. Overseeing adherence to the Group Environmental & Social Framework .

40. Overseeing the management of the Group's material climate-related risks and opportunities, within the Group's overall business strategy and risk appetite.

Governance

41. Overseeing and monitoring relevant corporate governance frameworks for the Group.

42. Approving the Group's:

- Group Policy Framework Policy;
- Corporate Governance Statement; and
- Governance policies that require, or are reserved for, Board approval and overseeing the implementation of systems and processes for compliance with those policies.

Work Health and Safety

43. Approving relevant Work, Health & Safety (WHS) policies and monitoring WHS matters, and considering appropriate WHS reports and information.

Other Matters

44. Approving any documents required by the CBA Constitution, legislation or regulation.

## Role and Responsibilities of the Chief Executive Officer

45. The Board has delegated specific authorities and the general management of the Group to the CEO. Subject to the limitations expressed in paragraph 7 above, the CEO may make all decisions and take any necessary action to carry out the management of the Group. The CEO is accountable to the Board in exercising this delegated authority.

46. In the management of the Group, the CEO's responsibilities include, among other matters:

- Implementing the strategic, business and financial objectives and/or plans and instilling the Group's Code of Conduct;
- Analysing the impact on the strategic objectives and financial position, when allocating resources or capital, approving expenditure, or making major financial decisions;
- Assessing reputational consequences of decisions or actions taken;
- Implementing processes, policies and systems together with appropriate controls to effectively manage the operations and risks of the Group; and
- Consistent with the Board-approved strategy, representing CBA's views to stakeholders, including shareholders, regulators and the community.

47. The CEO is responsible for implementing processes for the provision of timely and accurate information to the Board to enable it to carry out its responsibilities.

## Roles and Responsibilities of the Chair

48. The Chair is to be an independent NED and is appointed by the Board. The Chair cannot have been the CEO of the Bank in the previous three years and must be ordinarily resident in Australia.

49. The Chair's principal responsibilities are to lead the Board and oversee the processes for the Board's performance of its role in accordance with this Charter.

50. The Chair has specific responsibilities to:

- Represent the views of the Board and CBA to stakeholders, including shareholders, regulators and the community;
- Foster open, inclusive, and, where appropriate, robust discussion and debate by the Board, and with management;
- Maintain a regular, open and constructive dialogue with the CEO and management, serving as the primary link between the Board and management;
- Liaise with the Group Company Secretary in relation to the Board's information requirements to assist the Board with effective decision making; and
- Set the Board agenda together with the CEO and the Group Company Secretary, with appropriate time and attention allocated to matters within the responsibilities of the Board.

## Composition of Board

### Structure and Composition

51. The size and composition of the Board is determined in accordance with CBA's Constitution, the CBA Board Appointment, Renewal and Performance Policy and any applicable laws and regulations.

52. The Board assesses the appropriate mix of skills, experience, knowledge, independence, expertise and diversity required, and the extent to which they are represented on the Board or relevant Committee (through, among other things, the use of a board skills matrix).

53. The Board approves, on the recommendation of the Nominations Committee, the suitability of a proposed director to be registered as an Accountable Person[3].

### Independence

54. It is the Board's intention that the CEO is the only executive director and that all NEDs are independent.

55. The Board considers, at least annually, the independence of each director in accordance with the independence standards adopted by the Board (on recommendation from the Nominations Committee).

[3] As defined in the *Financial Accountability Regime Act 2023* (Cth).

Board Renewal and Tenure

56. The Board considers NED succession, on recommendation from the Nominations Committee, in accordance with relevant renewal and tenure policies.

57. The Board appoints directors to fill casual vacancies on the Board and makes recommendations to shareholders in respect of the election or re-election of directors.

## Induction and Continuing Education

58. All NEDs must undertake an induction program upon joining the Board.

59. Director education is conducted regularly and is incorporated into the Board forward planner.

## Board Meetings

60. The Board meets as often as is necessary to fulfil its responsibilities.

61. Subject to the CBA Constitution, the presence of one half of the total number of directors for the time being in office (rounded upwards if not a whole number), or three directors, whichever is greater, will constitute a quorum.

## Board Committees

62. The Board may establish those Committees of directors it considers necessary to assist it in carrying out its functions. The standing Committees of the Board are:
    - Audit Committee;
    - Risk & Compliance Committee;
    - People & Remuneration Committee; and
    - Nominations Committee.

63. The Board determines, and reviews as appropriate, Committee memberships (on recommendation from the Nominations Committee) and charters.

64. Minutes of all Committee meetings are made available to all directors and Chairs of each Committee provide verbal reports on Committee business at the relevant Board meeting.

## Company Secretary

65. The Group Company Secretary is accountable to the Board, through the Chair, on matters relating to the proper functioning of the Board.

66. All directors have direct access to the Group Company Secretary.

## Access, Reliance and Advice

67. The Board has free and unfettered access to senior management, any other relevant internal and external party and information, and may make any enquiries to fulfil its responsibilities.

68. The Group Chief Risk Officer, the Chief Compliance Officer and the External Auditor have unfettered access to the Board.

69. The Board may, with the prior approval of the Board Chair, where practicable, obtain independent advice at the Bank's expense. This includes by engaging and receiving advice and recommendations from appropriate independent experts. The engagement and any advice received will be independent of management.

70. Board members are entitled to rely on information, advice and assurances provided by management on matters within their responsibility, and on the expertise of independent experts, as long as they are not aware of any grounds that would make such reliance inappropriate.

## Declaration of Interests

71. Directors are required to take all reasonable steps to avoid actual, perceived or potential conflicts of interests and declare them to the Chair, the Board and the Group Company Secretary if they arise.

## Board Performance and Charter Review

72. The Board assesses its performance and the fulfilment of its responsibilities under the Charter annually. An external Board and Committee performance review is also undertaken at least every three years.

73. The Board has processes in place to review the performance of its Committees and of individual directors.

74. The Board reviews the adequacy of this Charter every two years.

## Approval Date

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| Charter approved | June 2026 (effective 13 August 2026) |
| Next review | June 2028 |