



**ONEPATH CUSTODIANS PTY LIMITED ACN 008 508 496 (THE 'COMPANY')**

**BOARD DIVERSITY, RENEWAL AND PERFORMANCE ASSESSMENT POLICY**

**1. Purpose**

The Board is ultimately responsible for the sound and prudent management of the Company. Accordingly, the Board is committed to having in place an appropriate Board Renewal Policy (inclusive of Diversity) and effective formal procedures for assessing the performance of the Board and its Committees.

This policy sets out the procedures that the Board and its Committees will follow regarding:

- (a) Board renewal (inclusive of diversity objectives); and
- (b) Board and Board Committee performance assessment.

**2. Status of Policy**

This Policy will be reviewed annually by the Board, or more frequently if required by changes to legal or regulatory requirements.

**3. Board Diversity**

***Diversity Vision***

The Company considers that a diverse Board is of benefit to the commercial outcomes of the Company. The Board's success is a reflection of the quality and skill of its members. The Company is committed to seeking out and retaining the best talent for its Board to ensure high performance which will ensure that the Board is acting in the best interests of Fund members.

The Company recognises that each Board member brings their own distinct capabilities, experiences and characteristics to their role. The Company values such diversity. Diversity may involve, for example, ethnicity, gender, language, age, sexual orientation, religion, experience, and thinking styles.

The Company believes that a wide array of perspectives that results from diversity promotes innovation and business success. Such diversity makes our Board more creative, flexible, productive and competitive.

***Board Recruitment***

The Company believes that appropriate candidates for the Board should be considered for appointment by reference to the merits of each candidate,

and in particular the skills having regard to life experiences the candidate will bring to the Board.

The Company has set an objective that by 2020, at least 40% of its Board positions will be filled by each gender. Accordingly, throughout the process of selection and appointment, females will be targeted as appropriate. Appointments will be merit based.

Progress in meeting this objective will be reviewed periodically.

#### **4. Board Renewal and Succession Planning**

The Board is committed to ensuring that it remains open to new ideas and independent thinking, while retaining adequate expertise.

Accordingly, the Board shall ensure that collectively, it has the appropriate competencies in order to fulfil its duties, including an appropriate mix of tenure and individual qualities and characteristics which will lead to an energised, proactive and effective Board.

In ensuring that the composition of the Board is aligned with the Company's strategies and this Policy, the Board will review its composition on a regular basis and may, subject to compliance with ANZ's policies and regulatory obligations:

- (a) make changes that it believes to be desirable to its size and composition; and
- (b) identify and appoint individuals qualified to become Board members. In so doing, the Board may take into consideration factors such as the Board's existing mix of tenure, skills and industry and business experience as it deems appropriate. The Board shall strive to achieve appropriate diversity among its Directors.

In exercising this discretion, the Board shall consider:

- (a) the complementary mix of the candidate's experience with the experience of other Board members;
- (b) the time expected to be devoted by Non-Executive Directors in relation to the Company's affairs;
- (c) the extent to which the candidate would be a desirable addition to the Board and any Committees of the Board;
- (d) whether existing Directors have served on the Board for a period which could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the Company; and

- (e) the benefit of staggered Board appointments and retirements to ensure Board continuity and the preservation of the Board's corporate memory.

In respect of 4(d), Non-Executive Directors will not serve on the Board for more than nine years. However, the Board will, if agreed to or requested by its shareholder, exercise discretion to extend the maximum term of a subsidiary Non-Executive Director where it is considered that such extension would benefit the Company. Non-Executive Director appointments will be effective for an initial term of 3 years. Any re-appointment after an initial term shall be at the discretion of the Board and Australia and New Zealand Banking Group Limited (ANZBGL).

Nominations may be provided from time to time by a Board member or Senior Management to the ANZ Wealth Company Secretary's Office which maintains a list of nominees to assist the Board in the succession planning process.

In regard to Board Non-Executive Director vacancies, a potential candidate list is provided to the Group Executive, ANZ Wealth (**ANZ Wealth Group Executive**) and the Board Chair who together, will agree on an initial shortlist.

The selection process for Non-Executive Directors will include a consultation process between the ANZ Wealth Group Executive and the Board Chair, combined interviews conducted by them to arrive at a final shortlist (generally top two to four candidates), and followed by an interview conducted by the Board Committees' Chair of the final shortlist candidates.

Together, the ANZ Wealth Group Executive, the Board Chair and the Board Committees' Chair will select the final candidate.

The selection process for Executive Directors will include Management putting forward potential candidate(s) to the Board Chair for consideration, the Board Chair engaging with the Board in respect of the same, interview by the Board Chair, followed by a private session at the next Board Meeting where input from each Director will be obtained before a final decision on the preferred candidate is made by the Chair.

The ANZBGL Board or its Board Governance Committee approves proposed appointments of Non-Executive Directors to the Company, prior to any new Non-Executive Directors being appointed.

The ANZBGL Chief Financial Officer (**CFO**) or delegate approves proposed appointments of Executive Directors to the Company, prior to any new Executive Directors being appointed.

The Board approves the appointment of Directors. Voting rights and procedures in relation to the nomination, appointment, reappointment and removal of a Director are in accordance with the Board meeting process as set out in the Board Charter.

Professional intermediaries may be used from time to time where deemed necessary and appropriate to assist in the process of identifying and considering potential candidates for Board membership.

The Board composition criteria and the process for Non-Executive Director selection and appointment are reviewed by the Board on a regular basis.

Any appointment and removal of Directors shall be subject to the process as prescribed by the Company's Constitution.

## **5. Board Performance Assessment**

The Board shall ensure that there is an effective process for assessing the performance of individual Directors, the Board and its Committees. In accordance with the Board Charter, the Board shall, at least annually, review:

- (a) its performance against the Charter; and
- (b) the appropriateness of the Charter and make any changes which it deems necessary.

### **5.1 Performance Assessments of Individual Directors**

A performance assessment of individual Directors shall be conducted internally on an annual basis and cover each Director and take into consideration the competencies and behaviours set out in the ANZ Fit and Proper Policy for APRA Regulated Institutions, the ANZ Wealth Schedule to the Fit and Proper Policy and the ANZ Code of Conduct and Ethics.

### **5.2 Guidelines for Performance Assessments**

The framework used to assess the Board and individual Directors shall be based on the expectation that they are performing their duties in accordance with obligations imposed upon them by the Company's Constitution and policies, regulatory obligations and the law.

The performance criteria shall take into account each Director's contribution to:

- (a) ensuring that the business strategy is effectively executed;
- (b) ensuring an appropriate level of oversight of the strategy of the business;

- (c) the monitoring of compliance with regulatory requirements and ethical standards;
- (d) the monitoring and assessing of overall management; and
- (e) any other specific objectives set by the Board during the year.

### **5.3 Performance Assessment Procedure**

On an annual basis, or more frequently if appropriate, the Chairperson shall have a one-on-one discussion with each Director addressing the performance of that Director and the Board as a whole against the performance criteria set out above. The Chairperson shall also seek feedback on their own performance.

To facilitate the performance assessment, a questionnaire may be used. The Chairperson of the Board shall provide a report to the Board on the outcome of these discussions.

### **5.4 Board Committees**

The Board committees shall, on an annual basis, conduct a review of:

- (a) any specific objectives set for the year;
- (b) its performance against its Charter; and
- (c) the appropriateness of its Charter and recommend any changes to the Board as necessary.

The Committees shall report the outcome of their review to the Board.

## **6. Board and Committee Charters**

This Policy should be read in conjunction with the Board and relevant Committee Charters.

### **Version Control**

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Drafted By:	Company Secretary's Office

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