



# Board Renewal and Evaluation Policy

As at February 2025  
Policy no 1036963

# Board Renewal and Evaluation Policy

## Purpose and Scope

The purpose of this Policy is to outline the factors to be considered by the Board of Directors (the Board) of BNK Banking Corporation Limited (the Company) when making decisions regarding the appointment of a new Director to the Board, or the reappointment of an existing Director to the Board.

This Policy also sets out the framework for the Board and its controlled entities (the Group) to annually evaluate its own performance, ensuring that individual Directors and the Board as a whole, operates efficiently and effectively together in fulfilling their responsibilities and achieving the Company's objectives.

## Director appointment overview

### 1. The Board must:

- (a) Review its needs with a view to ensuring that there is a range of skills represented, including an understanding of the industry and market in which the Company operates and accounting, finance and legal matters;
- (b) Remain open to new ideas and independent thinking, whilst maintaining and retaining adequate expertise on the Board;
- (c) Develop suitable criteria for Board candidates to address any needs identified;
- (d) Engage independent professional advisors to assist in identifying individuals to fit within the criteria developed to satisfy the needs of the Board; and
- (e) Develop a short list of Board candidates, taking into account the attributes of the Board candidates and each candidate's ability to fit within the existing Board.

### 2. When the Board considers that a suitable candidate has been found:

- (a) The Board Chair will approach the selected candidate;
- (b) The Board will meet the candidate; and
- (c) The candidate may be appointed in accordance with the decision of the Board, and the Company's Constitution and will stand for election at the next AGM.

## Factors to be considered in the Director selection process or reappointment process

### 3. Factors to be considered by the Board when considering the appointment of a new Director to

the Board include:

- (a) Appropriate background and experience checks;
- (b) The time commitments considered necessary for the effective performance of the role of Director so as to satisfy the Director's responsibilities to the Company;
- (c) The existing time constraints and commitments of Board candidates;
- (d) Any potential conflicts of interest and the independence of the candidate;
- (e) The nature of a Board candidate's existing positions, directorships and other relationships and any potential impact on the Board candidate's ability to exercise independent judgment; and
- (f) The ability of the Board candidate to work constructively with the existing Directors and enhance the effectiveness of the Board.

### 4. Additional factors to be considered by the Board when considering the reappointment of an existing Director to the Board include:

- (a) A review of the Director's past performance and contribution to the Board, including participation, leadership, decision-making and the fulfillment of any assigned duties;
- (b) Whether the Director's skills and expertise continue to align with the Company's needs and strategic direction;
- (c) Consideration of the overall composition of the Board, and how the reappointment affects the Board's skills matrix and the Board's diversity;
- (d) Assessing the Director's independence and evaluating any potential conflicts of interest that could arise from the Director's reappointment based on the Company's circumstances at the relevant time;
- (e) Whether the tenure of an existing Director could, or could reasonably be perceived to, affect their ability to act in the best interests of the Company; and
- (f) Ensuring compliance with the Company's Constitution, Board Charter and ASX Listing Rules in relation to maximum tenure.

### 5. A person who was a member or employee of an audit firm or a Director of an audit company, and who served in a professional capacity in the audit of the Company in relation to the Banking Act 1959 (Cth) (the Banking Act), the Australian Prudential Regulation Authority (APRA) Prudential Standards or the APRA Reporting Standards, cannot be appointed to the role of Director (or senior manager) of the Company until at least two years have passed since they served in that

professional capacity.

## Inconsistency with Constitution

6. To the extent that there is any inconsistency between this Policy and the Company's Constitution, the Constitution will prevail.

## Board Performance Evaluation Overview

7. Board performance evaluation is designed to:

- (a) Review the pre-determined role of the Board and individual Directors as set out in the Group's Board Charter;
- (b) Annually assess the performance of Directors in discharging their responsibilities. This is achieved by collectively assessing the Board's effectiveness and by individually assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;
- (c) Regularly evaluate the Directors' confidence in the integrity of the Company, the quality of the discussions at Board meetings, the credibility of the reports and information they receive, the level of interpersonal cohesion between Board members and the degree of Board knowledge; and
- (d) Enable Board members, individually and collectively, to develop the key skills required to meet foreseeable requirements with timely preparation, agreed strategies and appropriate development goals.

## Procedure for Board Performance Evaluation

8. This Policy must be read in conjunction with any relevant Company standard or procedure documents with respect to Board performance evaluation. A broad overview of the evaluation procedure is outlined below.

- (a) The Board Chair will meet with each Director separately (or will facilitate this process), seeking input in relation to:
  - (i) The performance of the Board;
  - (ii) The performance of each Board Committee;
  - (iii) Their own performance; and
  - (iv) The performance of the Chief Executive Officer / Managing Director.

Performance should be assessed quantitatively (and qualitatively, as appropriate) against criteria contained in the Board Charter, strategic plans and the role / position description.

- (b) The Company Secretary and / or the Board Chair will collate the input and provide an overview report for discussion by the Board.

- (c) The Board as a whole will discuss and analyse its own performance during the year including suggestions for change or improvement, as well as any skills, education or development required over the forthcoming year.

## Procedure for Board Performance Evaluation of Chief Executive Officer / Managing Director and Key Executives

9. This Policy is to ensure the Chief Executive Officer / Managing Director and key executives execute the Group's strategy through the efficient and effective implementation of the business objectives. In order to accomplish this:

- (a) Each year, the Board will review the Group's strategy.
- (b) Following such a review, the Board will set the organisation's performance objectives based on qualitative and quantitative measures.
- (c) The objectives will be reviewed periodically to ensure they remain consistent with the Group's priorities and the changing nature of the Group's businesses.
- (d) The objectives will form part of the performance targets for the Chief Executive Officer / Managing Director.
- (e) Performance against these objectives will be reviewed annually by the Board and is reflected in the Chief Executive Officer / Managing Director's remuneration review.
- (f) The Chief Executive Officer / Managing Director is responsible for assessing the performance of the key executives and a report is then provided to the Remuneration Committee for review.

## External Consultants

10. The Board may engage independent external consultants periodically to provide advice and assistance in the evaluation process.

## Review of this Policy

11. This Policy will be reviewed annually by the Board. This Policy may be amended by resolution of the Board.

## Policy Governance

<b>Policy Owner:</b>	Company Secretary
<b>Policy Approval Committee:</b>	Board
<b>Policy Review Frequency:</b>	Annually
<b>Next Review Due:</b>	February 2026
<b>Policy Exemption Authority</b>	None

## Material Revisions

<b>Version No.</b>	<b>Approval Date</b>	<b>Effective Date</b>	<b>Nature/Purpose of Review/Details of Amendment</b>	<b>Reviewer(s)</b>
1.	Sept/Oct 2023	Sept 2023	Annual Review – Board Performance Evaluation Policy	General Counsel & CRO
2.	Sept 2023	Sept 2023	Policy Review due – Policy for Selection and Appointment of Directors	General Counsel
3.	Dec 2024	Dec 2024	Annual review – Board Performance Evaluation Policy	General Counsel & Company Secretary
4.	Dec 2024	Dec 2024	Internal Auditor recommendations – Policy for Selection and Appointment of Directors	General Counsel & Company Secretary
5.	Feb 2025	Feb 2025	Consolidate the Board Performance Evaluation Policy and the Policy for Selection & Appointment of Directors into a single policy as directed by the Board	General Counsel & Company Secretary

