

## **CHARTER OF THE SUPERVISORY BOARD**

This charter governing the Supervisory Board (the “SB Charter”) of Commonwealth Bank of Australia (Europe) N.V. (“CBA NV”) was adopted by the Supervisory Board of CBA NV (the “Supervisory Board”).

### **Article 1**

#### **Status and contents of the Charter**

- 1.1. This Charter is drawn up pursuant to CBA NV’s articles of association and this Charter is complementary to the charter requirements and regulations application to the Supervisory Board under Dutch law or CBA NV’s articles of association.
- 1.2. Where this Charter is inconsistent with CBA NV’s articles of association, the latter shall prevail. Where this Charter conform to CBA NV’s articles of association but is inconsistent with Dutch law, the latter shall prevail. If one or more provisions of this Charter is or becomes invalid, this shall not affect the validity of the remaining provisions. The Supervisory Board shall replace the invalid provisions by new valid provisions the effect of which, given the contents and purpose of this Charter is, to the greatest extent possible, similar to that of the invalid provisions.
- 1.3. The following annexes are attached to, and form an integral part of, this Charter:  
  
Annex A: Profile of the Supervisory Board
- 1.4. This Charter has been based on (i) the 2022 Dutch corporate governance code (“Code”), (ii) Financial Supervision Act (*Wet op het financieel toezicht*, “Wft”), (iii) the European Banking Authority (“EBA”) guidelines on internal governance, (iv) the Regulation on sound remuneration policies as issued by the Dutch Central Bank (*Regeling beheerst beloningsbeleid 2021*), (v) the EBA Guidelines on sound remuneration policies, (vi) the EBA guidelines on the assessment of the suitability of members of the management body and key function holders, and (vii) Book 2 of the Dutch Civil Code. The Charter shall be periodically reviewed and amended following developments in laws and regulations related to corporate governance and regulations for financial institutions.
- 1.5. Each individual member of the Supervisory Board has taken the Banker’s oath. On appointment of new members the Supervisory Board will ensure that new members will take the bankers’ oath within the legal term of 3 months from starting his/her function.
- 1.6. The term ‘General Meeting’ in this Charter shall have the same meaning as in CBA NV’s Articles of Association.
- 1.7. This Charter, including the Annexes, is published on CBA NV’s website.

### **Article 2**

#### **Responsibilities of the Supervisory Board**

- 2.1. The Supervisory Board shall be responsible for supervising the policies of the Management Board and CBA NV’s general affairs and the business connected with it, and for advising the Management Board. In fulfilling its tasks the Supervisory Board shall be guided by the

interests of CBA NV and its business; it shall take into account the relevant interests of all stakeholders (including CBA NV's shareholder, clients and employees). The Supervisory Board is responsible for the quality of its own performance. The responsibility for the exercise of its duties is a collective responsibility of the Supervisory Board.

2.2. The responsibilities of the Supervisory Board shall include:

Overall oversight:

- a. supervising and monitoring, and advising the Management Board on:
  - i. CBA NV 's performance;
  - ii. CBA NV 's strategy, including realizing long-term value creation and the manner in which the Management Board implements this;
  - iii. structure and management of the internal risk management and control systems;
  - iv. the financial reporting process;
  - v. the relationship of CBA NV with its shareholder; and
  - vi. compliance with legislation, regulations, CBA NV 's articles of association and CBA N.V.'s Code of Conduct;
- b. disclosing, complying with and enforcing CBA NV 's corporate governance and internal governance structure, including CBA NV 's adherence to the principles and best practices of the Corporate Governance Code and the Banking Code;

Risk management

- c. approving the risk appetite of CBA NV annually on the basis of a proposal made by the CRO the Management Board, as well as any material changes thereto proposed in the interim;
- d. supervising the implementation of the risk policy by the Management Board, including discussing the risk profile and whether capital allocation and liquidity impact are in line with the approved risk appetite, and periodically assessing whether the commercial activities of CBA NV in the general sense are appropriate in the context of CBA NV 's risk appetite;

Remuneration

- e. proposing the remuneration policy for members of the Management Board (such policy to be adopted and approved by the General Meeting), fixing the remuneration (in accordance with the remuneration policy) and contractual terms and conditions of employment of members of the Management Board;
- f. The remuneration of senior officers in risk management and compliance functions will be monitored by the Nomination and Remuneration Committee (NRC).

Other tasks

- g. evaluating and assessing the functioning and performance of the Management Board (including participation in its training programme) and Committees; if and when required external assistance can be sought for the above matters.
- h. evaluating and assessing on annual basis the effectiveness of the Compliance function in the Risk and Audit Committee.
- i. evaluating and assessing the functioning and performance of the Supervisory Board, the Supervisory Board's Committees and the individual members (including the

evaluation of the Supervisory Board's profile and the effectiveness of the introduction, education and training programme); if and when required external assistance can be sought for the above matters.

- j. handling, and deciding on, reported potential conflicts of interests;
- k. handling, and deciding on, reported alleged irregularities that relate to the functioning of the Management Board;
- l. approving the appointment and dismissal of the senior internal auditor by the Management Board taking into account the recommendation provided by the Risk and Audit Committee,
- m. approving the suspension or removal of one of the heads of the Risk Management Function (the head for market risk, credit risk or the manager for operational risk),
- n. approving appointments of CBA NV senior management; and
- o. setting and evaluating the CEOs key performance indicators (KPIs).

2.3. The Management Board shall require the approval of the Supervisory Board for resolutions relating to:

- a. the annual strategic and financial plan of CBA NV;
- b. the strategy designed to achieve the objectives, including realizing long-term value creation and the manner in which the Management Board implements this;
- c. the parameters to be applied in relation to CBA NV's strategy;
- d. the recommended risk appetite of CBA NV as well as any material changes thereto proposed in the interim;
- e. remuneration proposals for the Management Board members and material risk takers (MRT) as required under CBA NV's remuneration policy;
- f. expenses that exceed an amount of three hundred thousand euros (EUR 300,000), which are in excess of the approved annual operational expenditure of CBA NV;
- g. CBA NV's annual budget which will be submitted to the General Meeting for approval; and
- h. the appointment or dismissal of CBA NV's external auditor.

The Management Board shall further require the approval of the Supervisory Board for such resolutions of the Management Board as the Supervisory Board shall have specified in a resolution to that effect and notified to the Management Board.

2.4. The Supervisory Board shall prepare and publish a report on its functioning and activities during the preceding financial year.

2.5. At least once per year the Supervisory Board will evaluate its own functioning, the functioning of the various committees of the Supervisory Board and that of the individual supervisory board members, and will discuss the conclusions that are attached to the evaluation. In doing so, attention will be paid to: i. substantive aspects, the mutual interaction and the interaction with the Management Board; ii. events that occurred in practice from which lessons may be learned; and iii. the desired profile, composition, competencies and expertise of the Supervisory Board.

### **Article 3**

#### **Composition, expertise and independence of the Supervisory Board**

3.1. The Supervisory Board shall consist of three (3) or more supervisory board members. The Supervisory Board shall prepare a profile of its composition, taking into account the nature of the business, its activities, size and complexity and the desired expertise, experience and

independence of its members. The Supervisory Board shall evaluate the profile periodically. The current profile of the Supervisory Board is attached as Annex A. At least half of the members of the Supervisory Board must be independent.

In addition, the Supervisory Board shall prepare an individual profile in case of a vacancy in the Supervisory Board, which specifically addresses the requirements to be met in filling that particular vacancy. In case of a vacancy for the position of Chair of the Supervisory Board, the specific profile shall focus on CBA NV's requirements in terms of expertise and experience in relation to the financial sector and familiarity with political culture and the social environment of CBA NV's main markets. The Supervisory Board shall aim for a diverse composition in terms of such factors as gender and age.

- 3.2. The composition of the Supervisory Board shall be such that its composition and the combined experience, expertise, complementarity and independence of its members meet the profile attached as Annex A and the requirements as provided for in this Charter and enables the Supervisory Board to best carry out the variety of its responsibilities and duties to CBA NV and all others involved in CBA NV (including its shareholder and its clients), consistent with applicable law and regulations. The Supervisory Board shall function as a collective body.
- 3.3. As to the composition of the Supervisory Board, the following requirements must be observed:
  - a. each of the members shall have thorough knowledge of CBA NV 's function in society and of the stakeholders of CBA NV (e.g. clients, shareholder and employees) and take those into account;
  - b. each of its members should be capable of assessing the broad outline of the overall policy of CBA NV and its business in order to form a balanced and independent opinion about the basic risks involved. Each member of the Supervisory Board shall also possess specific expertise needed to perform his or her role in the Supervisory Board;
  - c. each of the members of the Supervisory Board shall be sufficiently available and contactable to properly perform his or her tasks on the Supervisory Board and, to the extent applicable, its Committees;
  - d. at least one of the members of the Supervisory Board shall have competence in accounting or auditing;
  - e. at least one of the members of the Supervisory Board shall have relevant expertise in the fields of compliance and corporate governance,
- 3.4. Each member of the Supervisory Board shall be required to submit to the Supervisory Board's chair such information as is necessary to record or update, as the case may be, his/her:
  - a. gender;
  - b. age;
  - c. profession;
  - d. principal position;
  - e. nationality;
  - f. other positions as far as relevant in order to fulfil the duties as a member of the Supervisory Board and the requirements in par 3.3;
  - g. date of initial appointment;
  - h. current term in office;
  - i. (lack of) independence
- 3.5. The Chair shall procure that such information, including information about the Chair, is published in the Supervisory Board's report.

- 3.6. Supervisory Board members should report any other positions they may have to the Supervisory Board in advance and, at least annually, the other positions will be discussed at the Supervisory Board meeting.

## **Article 4**

### **Chair, vice-chair and company secretary**

- 4.1. The Chair determines the agenda, chairs the meetings of the Supervisory Board, monitors the proper functioning of the Supervisory Board and its Committees, arranges for the adequate submission of information to the members of the Supervisory Board, ensures that there is sufficient time for decision taking, arranges for the introduction, education and training programme for members of the Supervisory Board, acts on behalf of the Supervisory Board as main contact for the Management Board and shareholder, initiates the evaluation of the functioning of the Supervisory Board and of the Management Board, and as chair ensures the orderly and efficient conduct of the General Meeting.

The Chair will also promote a culture of openness and debate by facilitating the effective contribution of all members of the Supervisory Board in particular and ensuring constructive relations between the Managers and the Supervisory Board.

The Chair of the Supervisory Board should in any case ensure that:

- a. the Supervisory Board has proper contact with the Management Board, the employee participation body (if any) and the General Meeting;
  - b. the Supervisory Board elects a vice-chair, that will act as chair in the event the Chair is absent or otherwise unable to act as chair of the Supervisory Board;
  - c. there is sufficient time for deliberation and decision-making by the Supervisory Board;
  - d. the Supervisory Board members receive all information that is necessary for the proper performance of their duties in a timely fashion;
  - e. the Supervisory Board and its Committees function properly;
  - f. the functioning of individual Management Board members and Supervisory Board members, including the Chair, is assessed at least annually;
  - g. the Supervisory Board members and Management Board members follow their induction programme;
  - h. the Supervisory Board members and Management Board members follow their education or training programme;
  - i. the Management Board performs activities in respect of culture;
  - j. the General Meeting proceeds in an orderly and efficient manner; and
  - k. effective communication with shareholder is assured.
- 4.2. The Supervisory Board shall be assisted by a company secretary.

The company secretary shall be primarily responsible for:

- a. compliance of the Supervisory Board's functioning with Dutch law, CBA NV 's articles of association and this Charter and regulations issued pursuant thereto;
- b. assisting the Chair of the Supervisory Board in the logistics of the Supervisory Board (information, agenda, minutes of the meetings, evaluation, etc.); and
- c. supporting the Chair of the Supervisory Board in the induction, education and training programme.

## **Article 5**

### **Supervisory Board Committees**

- 5.1. The Supervisory Board shall have a Risk and Audit Committee (“RAC”) and a Nomination and Remuneration Committee (“NRC”) and is entitled to institute more Committees. The Supervisory Board appoints its members to the committees. The membership of a committee will terminate automatically when the relevant member ceases to be a Supervisory Board member. The (entire) Supervisory Board remains responsible for its decisions even if they were prepared by or delegated to one of the Board's Committees. A committee may only exercise such powers as are explicitly attributed or delegated to it and may never exercise powers beyond those exercisable by the Supervisory Board as a whole. Any use by a committee of the delegated authority shall be communicated to the full Supervisory Board in its next meeting.
- 5.2. The Supervisory Board shall prepare a charter governing the respective committee's practices and principles (responsibilities, composition, meetings, etc.). Committees are authorized, within the scope of their responsibility, to gather any information that the Supervisory Board requires from employees of CBA NV and/or external parties. The Supervisory Board is entitled to gather external (legal) advice and to invite third parties, if necessary, to attend its meeting.
- 5.3. The composition of the committees, the specific requirements as to the competence and experience of the members of the various committees, the number of committee meetings and the main items to be discussed therein shall be recorded in the Supervisory Board's report.
- 5.4. Should one or more committees as referred to in article 5.1 not be instituted, their respective practice and principles as set forth in the relevant Annex shall apply mutatis mutandis to the Supervisory Board.
- 5.5. The Supervisory Board shall receive from each of the committees a report of its deliberations and findings after each meeting.
- 5.6. The charter(s) governing the respective committees' practices and principles and the composition of the respective committees are placed on CBA NV's website.

## **Article 6**

### **(Re)appointment, term and resignation**

- 6.1. In case of a vacancy in the Supervisory Board, the Supervisory Board shall draw up a specific profile, taking into account the high-level criteria for the relevant board position that follow from the role and responsibilities of the Supervisory Board as set out in Article 3. On the basis of this profile the Supervisory Board shall coordinate the process to select a candidate for appointment.
- 6.2. The members of the Supervisory Board shall be appointed in the manner as provided in CBA NV Articles of Association. A Supervisory Board member is appointed for a period of four years and may then be reappointed once for another four-year period. The Supervisory Board member may then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the Supervisory Board. The General



Meeting shall appoint the members of the Supervisory Board pursuant to a binding nomination by the Supervisory Board.

The General Meeting may overrule the binding nature of a nomination by a resolution of the General Meeting adopted with a majority of at least two-thirds of the votes cast, representing more than half of the issued share capital. In such event, the Supervisory Board may draw up a new binding nomination.

The General Meeting may at any time suspend or remove any member of the Supervisory Board.

- 6.3. Members of the Supervisory Board shall retire early in the event of inadequate performance, structural incompatibility of interests, and other instances where retirement is deemed necessary at the discretion of the Supervisory Board.
- 6.4. Members of the Supervisory Board who take on the management of CBA NV temporarily, where the Management Board members are absent or unable to discharge their duties, shall (temporarily) resign from the Supervisory Board in order to do so.
- 6.5. The Supervisory Board shall maintain a succession plan for the Supervisory Board, and evaluate and monitor such plan periodically.

## **Article 7**

### **Remuneration**

- 7.1. The Supervisory Board should submit a clear and understandable proposal for its own appropriate remuneration to the General Meeting. The remuneration of Supervisory Board members should promote an adequate performance of their role and should not be dependent on the results of the company and should reference external appropriate benchmarks.
- 7.2. The remuneration of the Supervisory Board members should reflect the time spent and the responsibilities of their role. The General Meeting provides feedback on the remuneration policy and ultimately approves the remuneration policy. In accordance with article 171 of the EBA Guidelines on Sound Remuneration Policies, members of the supervisory function should be compensated only with fixed remuneration.

## **Article 8**

### **Induction programme and ongoing training and education**

- 8.1. Once appointed, each member of the Supervisory Board shall follow an introduction programme and ongoing learning programme, prepared and sponsored by CBA NV, addressing:
  - a. general financial and legal affairs, including relevant developments at CBA NV and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards the client, integrity, IT infrastructure, risk management, financial reporting and audits;
  - b. financial reporting by CBA NV;
  - c. specific aspects unique to CBA NV and its business activities; and
  - d. responsibilities of members of the Supervisory Board, including the Chair roles.

- 8.2. The Supervisory Board shall review the induction programme and learning programme annually to identify any other specific aspects in respect of which further training and education is required.

## **Article 9**

### **Supervisory Board meetings (agenda, teleconferencing, attendance, minutes)**

- 9.1. The Supervisory Board shall hold at least four meetings per year and whenever one or more of its members have requested a meeting. Supervisory Board meetings are generally held at the offices of CBA NV, but may also take place elsewhere. Meetings of the Supervisory Board can be held through audio or audio-visual communication facilities, unless a Supervisory Board Member objects thereto.
- 9.2. Members of the Supervisory Board who are absent during meetings of the Supervisory Board shall be asked by the Chair to explain their absence. Supervisory Board's attendance shall be reported in the Supervisory Board's report as part of the management report of CBA NV
- 9.3. Unless the Supervisory Board decides otherwise, meetings of the Supervisory Board shall be attended by the members of the Management Board, save for meetings concerning:
- a. the evaluation of the functioning of the Management Board and its individual members, and the conclusions to be drawn from that evaluation;
  - b. the evaluation of the functioning of the Supervisory Board and its individual members, and the conclusions to be drawn from that evaluation;
  - c. the desired profile, scope and composition of the Supervisory Board;
  - d. any potential conflicts of interests of members of the Management Board;
  - e. the evaluation of the induction-, education- and training programme; and
  - f. remuneration deliberations.

The appointed external auditor of CBA NV may attend each Supervisory Board meeting at which the annual accounts are discussed.

The external auditor shall receive the financial information underlying the adoption of the quarterly or half-yearly accounts and other interim financial reports and shall be given the opportunity to respond to all information.

The Supervisory Board may require that certain external advisors attend its meeting.

- 9.4. Meetings shall be convened by the company secretary on behalf of the member(s) requesting the meeting. Where this is practically possible, notices convening a meeting and the agenda with annexes of items to be considered and discussed therein shall be dispatched five working days before the meeting and sent to each member of the Supervisory Board and of the Management Board.
- 9.5. Minutes of the meeting shall be prepared by the company secretary. They shall generally be adopted in the next meeting. If all members of the Supervisory Board agree on the contents of the minutes, they may be adopted earlier. The minutes shall be signed for adoption by the Chair and the secretary of the meeting and shall be dispatched to all members of the Supervisory Board as soon as practically possible.



## **Article 10**

### **Supervisory Board resolutions (quorum, votes, items to be considered)**

Supervisory Board resolutions shall be passed by a Simple Majority (more than 50% of the votes cast) in a meeting at which at least the majority of its members is present or represented provided that Supervisory Board members who have a conflict of interests shall not be taken into account when calculating this quorum. Invalid votes and blank votes shall not be counted as votes cast.

Each Supervisory Board member may cast one vote at a meeting of the Supervisory Board. In the event of a tie at a meeting of the Supervisory Board, the Chair of that Supervisory Board shall cast the deciding vote. Resolutions of the Supervisory Board may, instead of at a meeting, be passed in writing, provided that all Supervisory Board Members are familiar with the resolution to be passed and none of them objects to this decision-making process.

## **Article 11**

### **Conflict of interests**

- 11.1. A Supervisory Board Member shall not participate in the discussions and/or decision-taking process on a subject or transaction in relation to which he/she has a conflict of interest with CBA NV within the meaning of articles below.
- 11.2. Resolutions to enter into such transaction must be approved by the Supervisory Board. The Chair of the Supervisory Board shall procure that transactions in respect of which Supervisory Board members have a conflict of interest will be referred to in CBA NV's management report including a declaration of the conflict of interests. A Supervisory Board Member shall immediately report any conflict of interest or potential conflict of interest that is of material significance to the Chair of the Supervisory Board and to the co-members. The Supervisory Board Member concerned shall not take part in the assessment by the Supervisory Board of whether a conflict of interest exists. The assessment and the decision of the Supervisory Board will be documented in its minutes.
- 11.3. A member of the Supervisory Board shall in any event have a conflict of interests ("conflict of interests") with the company if:
  - a. he/she personally has a material financial interest in a company with which the company intends to enter into a transaction;
  - b. he/she has a family law relationship (his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage to the second degree) with a member of the Management Board or Supervisory Board of the company with which the company intends to enter into a transaction;
  - c. he/she is a member of the Management Board or Supervisory Board of, or holds similar office with, the company with which the company intends to enter into a transaction;
  - d. under applicable law, including the rules of any exchange on which the company's shares (or depositary receipts thereof) are listed, such conflict of interests exists or is deemed to exist; or
  - e. the Supervisory Board has ruled that such conflict of interests exists or is deemed to exist.

## **Article 12**

### **Information, relationship with the Management Board**

- 12.1. The Supervisory Board shall be responsible for supervising the policies of the Management Board and CBA NV, CBA NV's general affairs and the business connected with it, and for advising the Management Board. The responsibility for the proper performance of its duties is vested collectively in the Supervisory Board.
- 12.2. The Management Board shall timely provide the Supervisory Board with all relevant information (if possible, in writing) on all facts and developments concerning CBA NV which the Supervisory Board may need to function as required and to properly carry out its duties, and, when necessary, verified by an internal and/or External Auditor. The Supervisory Board is entitled to gather any information that the Supervisory Board requires, from employees of CBA NV and/or external parties.
- 12.3. The Supervisory Board, and its individual members, have their own responsibility for obtaining all information from the Management Board and the external auditor that the Supervisory Board requires for the due performance of its duties. If the Supervisory Board deems it necessary, it may obtain information from employees and external advisors of CBA NV. The Management Board shall provide the necessary means for this purpose.

The Supervisory Board may require that certain employees and external advisors attend its meetings.

- 12.4. The Management Board shall periodically provide the Supervisory Board with a report prepared in a format as agreed from time to time and setting out detailed information on inter alia the financial performance of CBA NV.
- 12.5. Each year, without prejudice to the above, the Management Board shall provide the Supervisory Board with a budget for the following year, the main features of the strategic policy and adequate information about the general and financial risks, the risk management and control systems of CBA NV and the compliance with all relevant laws and regulations. In addition, the Management Board shall issue an annual declaration that it has provided the Supervisory Board with all relevant information required for the due performance of its duties. The Management Board shall provide the Supervisory Board with a medium term strategy for approval, at least once every three years.
- 12.6. If a member of the Supervisory Board should receive information or indications relevant to the Supervisory Board in the proper performance of its supervisory and advisory tasks (from a source other than the Management Board or Supervisory Board), he/she shall make this information available to the Chair as soon as possible.
- 12.7. Supervisory Board may in exercising its duties seek the assistance or advice of one or more experts at a reasonable price agreed upon with the Supervisory Board and in consultation with the Chair of the Management Board, which is to be paid by CBA NV.

## **Article 13**

### **Relationship with the General Meeting**

- 13.1. In accordance with CBA NV's articles of association, a General Meeting may be convened whenever the shareholder, the Supervisory Board or the Management Board so requires, in



which event the Supervisory Board shall ensure that it is held in due time and that the shareholder is informed of all facts and circumstances relevant to the item(s) on the agenda.

- 13.2. The members of CBA NV's Management Board and Supervisory Board may participate in shareholder meetings, unless they are prevented from attending on serious grounds. In conformity with the articles of association of CBA NV, the Chair of the Supervisory Board shall, as a general rule, chair the General Meeting, and shall decide on the substances of resolutions.
- 13.3. The Management Board and the Supervisory Board are responsible for the corporate governance structure of CBA NV, shall monitor and at least annually assess the effectiveness of the internal governance structure and must give account to the General Meeting.
- 13.4. The external auditor, in charge of auditing the management report of CBA NV, will attend the General Meeting, in which the management report is discussed and may be asked to answer questions in this meeting.
- 13.5. Each significant change in CBA NV's corporate governance structure and the compliance with the Code and the Code Banken shall be addressed in a separate item on the agenda for consideration by the General Meeting. A proposal for approval or authorization by the General Meeting shall be explained in writing. The Supervisory Board shall in this explanation state all the facts and circumstances that are relevant for the approval or authorization to be granted.

## **Article 14**

### **Governing law and jurisdiction**

This Charter shall be governed by and construed in accordance with the laws of the Netherlands.

The courts of Amsterdam, the Netherlands, shall have exclusive jurisdiction to settle any dispute arising from or in connection with this Charter (including any dispute regarding the existence, validity or termination of this Charter).