

NATIONAL AUSTRALIA BANK LIMITED

ACN 004 044 937

BOARD CUSTOMER COMMITTEE CHARTER

1 Purpose of Charter

This Charter sets out the authority, responsibilities, membership and terms of operation of the Board Customer Committee (Committee) of National Australia Bank Limited (Company).

2 Authority

2.1 The Committee is appointed and authorised by the Board of Directors of the Company (Board) to: require and oversee a significant lift in the importance given to the voice of the customer and a more intense focus on customer outcomes. The Committee will also assist the Board in fulfilling certain of its statutory, fiduciary and regulatory responsibilities. The authority of the Committee is sourced from:

- (a) the Company's Constitution;
- (b) this Charter; and
- (c) separate Board delegations, resolutions and approvals granted to it from time to time.

2.2 The Committee has the authority to conduct or direct any investigation required to fulfil its responsibilities. The Committee may directly engage and retain, at the Company's expense, such legal, accounting, financial, corporate governance or other advisers, consultants or experts as it considers necessary from time to time in the performance of its duties.

2.3 The Committee may form and delegate authority to sub-committees, comprised of one or more members. Any such sub-committee will have the full power and authority of the Committee, subject to the terms of its delegated authority, and must report to the Committee in relation to material developments arising in the exercise of that authority.

3 Duties and Responsibilities

3.1 The Committee is responsible for:

Voice of the Customer

- (a) reviewing and evaluating customer feedback, insight and themes, from sources including: verbatims, complaints trends (including complaints to the Australian Financial Complaints Authority), breach reporting, employees, Net Promotor Score, Reputation Tracker, Customer Advocates;

Customer Outcomes

- (b) overseeing Management's endeavours in seeking to ensure fair customer product and services outcomes for all customer segments, through the Customer Outcome Framework, with specific focus on vulnerable customers and customers in hardship;
- (c) considering and evaluating reports from management on significant business decisions that may impact the Company's reputation from a customer impact perspective, in order to satisfy itself that the potential impact has been considered fully, and escalating any matters as necessary to the Board;
- (d) remaining abreast of industry and regulatory developments that impact customer outcomes;

Conduct

- (e) reviewing, evaluating and monitoring the effectiveness of the processes by which the Company identifies and manages Conduct Risk as it relates to customer outcomes, including annually reviewing the effectiveness of the Conduct Risk Framework;
- (f) reviewing and evaluating regular management reports on the Company's Conduct Risk issues/exposures;
- (g) annually reviewing performance against Conduct Risk metrics and providing input to the Board Remuneration Committee to assist it in its deliberations on appropriate risk adjustments to be made to variable reward;

Customer Complaints

- (h) reviewing and evaluating regular management reports on complaint levels, complaint handling metrics, customer satisfaction indicators, Net Promoter Scores and market share measures in order to proactively identify systemic trends impacting customers;
- (i) reviewing and evaluating regular reports from the Customer Advocates in order to proactively identify systemic trends impacting customers;
- (j) reviewing and evaluating reports from Internal Audit containing findings relevant to the responsibilities of the Committee;

Customer Remediation

- (k) reviewing and evaluating regular management reports on customer remediation, including the principles underpinning and governing remediation at the Company;
- (l) reviewing and evaluating progress of significant remediation projects;
- (m) reviewing and evaluating the fairness and timeliness of customer compensation outcomes;

Other responsibilities

- (n) examining any other matters referred to it by the Board;

- (o) referring to the Board Risk Committee, Board Audit Committee or Board Remuneration Committee any matters have come to the attention of the Committee that are relevant for those Committees;
- (p) being available to meet with regulators on request; and
- (q) remaining alert to community expectations, applicable research and trends to achieve desired customer outcomes.

Limitation

- 3.2 The Committee performs its principal function based on information provided to it by management. Management is responsible for the preparation, presentation and integrity of information provided to the Committee. Without limiting the Committee's responsibilities, as described in this Charter, neither the Committee as a committee nor any member of it by virtue of being a member, has the duty to actively seek out activities occurring within the Group that are not compliant with the Group's policies and procedures, although they have a duty to act promptly if any such activity comes to their attention.
- 3.3 The Board Risk Committee has primary responsibility for the oversight of matters relating to risk. The Committee will refer to the Board Risk Committee any matters that come to its attention that are in the domain of or relevant to the Board Risk Committee in accordance with 3.1(e) and (f).
- 3.4 The Board Audit Committee has primary responsibility for oversight of matters relating to financial control systems, external auditor and internal audit processes, accounting compliance processes, external financial and statutory reporting, taxation matters and concerns received through (and ongoing compliance with) the Group's Whistleblower Protection Policy. The Committee will refer to the Board Audit Committee any matters that come to its attention that are the domain of or relevant to the Board Audit Committee in accordance with 3.1(f).
- 3.5 The Board Remuneration Committee has primary responsibility for oversight of matters relating to remuneration, including risk-adjusted performance measures. The Committee will refer to the Board Remuneration Committee any matters that come to its attention that are the domain of or relevant to the Board Remuneration Committee in accordance with 3.1(g).

Operational Procedures

- 3.6 A separate detailed checklist of operational matters and agenda items to be considered by the Committee over a full year is used as a means to manage the Committee's responsibilities. This checklist includes review processes and assessment procedures recommended by APRA and other relevant regulatory sources. The checklist is maintained and regularly reviewed by the Committee Secretary.

4 Reporting and Evaluation

- 4.1 Minutes must be kept of all Committee meetings and circulated to the Board. All Committee papers will be made available to Directors who are not members of the Committee.
- 4.2 The Committee, through its Chairman, will report to the Board at the earliest possible Board meeting after each Committee meeting, any matters that the Committee considers should be

brought to the attention of the Board and any recommendations requiring Board approval and/or action.

- 4.3 A review of the Charter and its continuing adequacy will be performed on a regular basis, as required.
- 4.4 An evaluation of the Committee's performance as it relates to the requirements of this Charter will be performed annually.
- 4.5 The Committee Chairman will submit an annual report to the Board on the Committee's activities during the year.
- 4.6 The Committee must refer any matter of significant importance to the Board for its consideration and attention.

5 Composition

- 5.1 The Committee must consist of a minimum of three members (including the Committee Chairman). All members must be independent, non-executive directors. 'Independence' for these purposes will be assessed by reference to the Standards adopted by the Board from time to time consistent with the law and current governance guidelines issued by the Australian Securities Exchange and other regulatory bodies.
- 5.2 Members are appointed by the Board. The Chairman of the Board will make a recommendation to the Board on the appointment or reappointment of each member of the Committee.
- 5.3 Having regard to the operational, financial and strategic risk profile of the Group, it is appropriate that members have a diverse range of backgrounds, skills and experiences.

6 Term

- 6.1 Each member will be appointed for an initial term of three years, or shorter if circumstances dictate. The performance of each member will be reviewed by the Committee Chairman in conjunction with the Chairman of the Board.
- 6.2 Periodic rotation of members' appointments is encouraged. No more than one member should leave the Committee pursuant to rotation in any one year.

7 Chairman

- 7.1 The Committee Chairman will be appointed by the Board and must be an independent non-executive director of the Company.
- 7.2 The Committee Chairman must not be the Chairman of the Board.
- 7.3 Should the Committee Chairman be absent for all or part of a meeting, a designated member will deputise in accordance with the Company's Constitution.

8 Meetings

- 8.1 Members may attend meetings in person or by electronic means.

- 8.2 The Committee should meet often enough to undertake its role effectively, but not less than quarterly.
- 8.3 In addition, the Committee Chairman may call a meeting at any time and will call a meeting of the Committee if so requested by any member or by the Chairman of the Board.
- 8.4 A quorum will be two members.
- 8.5 Directors who are not members of the Committee, the Group CEO and other executives may attend meetings at the invitation of the Committee Chairman.
- 8.6 The Chief Customer Experience Officer and the Chief Legal & Commercial Counsel are required to attend each scheduled meeting of the Committee.
- 8.7 Any other persons of management and/or parties external to the Company may be invited to attend all or part of any Committee meeting.
- 8.8 The Group Company Secretary or a designate will be appointed Secretary of the Committee.

9 Direct Access

The Committee will at all times have free and unfettered access to relevant senior management, risk and finance control personnel and other relevant internal and external parties, including Internal Audit and the External Auditor. The Committee Chairman will normally keep the Chief Customer Experience Officer and Chief Legal & Commercial Counsel fully informed of relevant dialogue between the Committee and those parties.

10 Fees

Members are entitled to receive remuneration as determined from time to time by the Board.

This Charter supersedes any terms of reference previously in force.