



Digital Committee Charter

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DOCUMENT CONTROL

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Name	Position
Isobel Rogerson	Company Secretary

Change Record

Author	Date	Change
Isobel Rogerson	04/12	New Charter
Isobel Rogerson	02/12	Amend Charter to include additional responsibilities for the Bank's Information Technology strategy, infrastructure and operations
Isobel Rogerson	08/12	Amend Charter to insert figures in paragraph 5, amend references to the Transformation Program, include Transformation Program Budget delegations and amendments to Risk section.
Isobel Rogerson	02/13	Regular review
Isobel Rogerson	02/14	Regular review
Isobel Rogerson	05/15	Regular review
Isobel Rogerson	03/16	Overhaul to reflect broad change in Committee responsibilities
Isobel Rogerson	02/17	Annual review

Approval

Name	Evidence
Board	Minutes of Meeting 5 April 2012
Board	Minutes of Meeting 4 October 2012
Board	Minutes of Meeting 4 April 2013
Board	Minutes of Meeting 1 May 2014
Board	Minutes of Meeting 7 May 2015
Board	Minutes of Meeting 3 March 2016
Board	Minutes of Meeting 8 March 2017

DIGITAL COMMITTEE CHARTER

The digital delivery of ME products and services is key to driving a positive customer experience. To be the best bank in the digital era requires focus, close management of every part of the digital experience, and strong oversight.

1. Purpose

The Digital Committee (Committee) will oversee the end-to-end digital delivery of ME's products and services through:

- (i) Receiving regular reporting on the digital ecosystem and customer experience;
- (ii) Providing oversight to the Bank's IT functions including IT strategy, the alignment of IT functions with the Bank's business, system stability, information security and related operations;
- (iii) Monitoring the development and implementation of the Bank's annual Program of Work, being the suite of initiatives and investments to implement the Bank's change program and to underpin the delivery of the strategic initiatives;
- (iv) Monitoring the investment in the IT architecture, infrastructure and support systems to underpin the safe and effective delivery of the products and services.

2. Composition

- 2.1. The Committee will have at least three non-executive director members appointed by the ME Board.
- 2.2. The Board will appoint one of the director members as Chair of the Committee.
- 2.3. If the Committee Chair is not at a meeting, the other Committee members will appoint another director member as Chair for that meeting.
- 2.4. Members of the Committee will be appointed by resolution of the Board, to be recorded in the minutes of the meeting at which they are made.
- 2.5. The membership of the Committee will be reviewed annually by the Board, or at any other time at the discretion of the Board.
- 2.6. The Company Secretary will establish an induction program for new members. The Chair has responsibility for ensuring that new members are provided with the induction program.
- 2.7. The Company Secretary will be responsible for keeping membership records.

3. Authority and Powers

The Committee gets its authority and powers from:

- 3.1. The Board, which has approved this Charter;
- 3.2. The Board Authorities and Delegations Policy.
- 3.3. Any other Board resolution made from time to time.
- 3.4. Any powers conferred by statute, regulation or regulatory authority requirements.

The Committee:

- 3.5. Does not become involved in day to day operations and management functions.
- 3.6. Must, at all times, have any access it needs to ME senior management, and in particular the Chief Marketing Officer, the Chief Change Officer and the Chief Information Officer.
- 3.7. Can ask for, and must get, written and verbal reports from any Executive committee, and in particular the Portfolio Steering Committee (which oversees the Program of Work).
- 3.8. May delegate its discretions and responsibilities, and will minute the delegations.
- 3.9. May, as determined by the Chair, make decisions by circulating resolution. Approval of a circulating resolution will be evidenced by:
 - (i) the signature of a Committee member entitled to vote on the matter on a written copy of the resolution, or
 - (ii) electronic proof of the Committee member's approval to the resolution.

4. Responsibilities

The Committee is responsible for:

Strategy

- 4.1. Receiving updates and, where appropriate, demonstrations about emerging technologies and trends and their potential impact on or application within the Bank.
- 4.2. Receiving reports from management regarding the Bank's medium to long term (3-5 years) technology strategy with reference to changes, trends and emerging technologies, and providing feedback on the strategy.

- 4.3. Reviewing business cases in support of the implementation of the strategy for endorsement to the Board, based on the balance of the investment and anticipated benefits against cost and project and other associated risks.
- 4.4. Overseeing strategies for the Bank's outsourcing of material technology services, including:
 - (i) selection and evaluation of preferred vendors;
 - (ii) performance measurement and management of material vendors.

Customer experience

- 4.5. Receiving regular reporting from management on the customer experience delivered by the Bank's digital eco-system.

Technology Investment and Expenditure, including the Program of Works

- 4.6. Receiving from management:
 - (i) Regular reporting on the overall technology portfolio health;
 - (ii) Regular reporting, by reference to internal and external benchmarks, on the quality, stability and reliability of the Bank's digital eco-system and IT services;
 - (iii) Regular reporting on the customer experience using the Bank's digital eco-system;
 - (iv) Regular reporting on the technology elements delivering, or being delivered by, the Program of Work, including costs, deliverables, scheduling, implementation risk (including change management and business readiness), and robustness of the technology solution;
 - (v) Proposals for any significant (over \$1 million in capital value, or categorised as high risk) technology investments outside of the Program of Work;
 - (vi) Regular reporting on the key (strategic or high risk) individual technology projects, including those contained in the Program of Work;
 - (vii) Post implementation reviews of all key projects to ensure that positive and negative experiences are captured and appropriate processes developed to capture the lessons learned, and deliver future process improvements.
- 4.7. Evaluation of any technology expenditure write-offs in excess of \$1 million for the purpose of recommending the write-off to the Board.

Technology Staff

- 4.8. Receiving reports from management regarding the strategies in place to manage the skills, capabilities, training and development of IT staff, including succession planning.
- 4.9. Reviewing, on an annual basis, the performance of the IT department against the strategy.

Technology Risk and Security

- 4.10. Identifying and monitoring key risks arising from technology and digital areas and referring them to the Risk and Compliance Committee.
- 4.11. Reviewing key technology risks and associated strategies, including the overall technology risk profile of the Bank. This includes key technology security strategies and policy, the Bank's compliance with laws and regulations related to its IT activities, investigations and reviews of security issues relevant to the Bank's technology processes/systems and any significant issues identified by Internal Audit;
- 4.12. Overseeing the effectiveness of disaster recovery plans and disaster recovery testing.

Other

The Committee will:

- 4.13. Review the Committee's Charter every year, or more often as it thinks appropriate; any changes to the Charter must be approved by the Board.
- 4.14. Review the Committee's performance every year and report the outcomes of the review to the Board.
- 4.15. Examine anything else the Board asks it to look at or consider.
- 4.16. Meet with APRA at APRA's request.

5. Meetings

- 5.1. The Committee will meet 4 or more times annually.
- 5.2. The Committee can ask for additional meetings to be held.
- 5.3. The Chair will be responsible for setting a calendar of business, for the Committee to approve, to ensure that the Committee fulfils its duties and responsibilities as contained in the Committee's Charter.
- 5.4. The Chair and Company Secretary will be responsible for setting the agenda for each meeting. Any Committee member may make a suggestion for the agenda.
- 5.5. Committee papers will be provided to members in reasonable time prior to the meeting to allow members to prepare for the meeting.
- 5.6. A quorum of the Committee is to comprise a minimum of two non-executive directors.

- 5.7. All other members of the Board may attend the Committee's meetings as observers, and upon request can receive copies of the Committee's papers.
- 5.8. A Committee meeting may be called or held using any technology consented to by all members.

6. Conflicts of Interest

- 6.1 The Board has established the Board Disclosure of Interests and Handling Conflicts of Interest Procedures for handling matters that may give rise to a conflict between the interests of a Director and those of ME.
- 6.2 Any Committee member, with a real or perceived conflict of interest, may not be present at a meeting while the matter is being considered unless the other directors agree that the interest should not disqualify the director with the material personal interest from being present while the matter is being considered; and
- 6.3 Any Committee member, with a real or perceived conflict of interest, may not vote on the matter being considered unless the other members agree that the interest should not disqualify the member with the conflict from voting.

7. Voting

- 7.1. A resolution of the Committee must be passed by a majority of the votes cast by the Committee members entitled to vote on the resolution.
- 7.2. Each Committee member present in person or by alternate is entitled to vote and has one vote.
- 7.3. If on any resolution an equal number of votes are cast for and against the resolution, the Chair has no casting vote.

8. Reporting

- 8.1. The Company Secretary will prepare minutes of the meetings for approval at the next meeting. The Chair will sign the minutes.
- 8.2. The minutes will record all decisions made by the Committee.
- 8.3. The minutes will be included in the papers for the next meeting, and will include a schedule of matters outstanding.
- 8.4. The Committee will report to the Board at the next Board meeting through a verbal report from the Chair and, if available, the circulation of minutes, on those of its activities and decisions that should be brought to the attention of the Board.
- 8.5. The Chair will report to the Chair of any other Board committee, at the earliest possible time, any matters that in the opinion of the Committee should be brought to the attention of that other Board committee.
- 8.6. The Committee may refer any relevant matters to another Board committee for consideration and determination by that committee.