



**BOQ  
GROUP**  
NOTICE OF MEETING

**20**  
**23**



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## 2023 Annual General Meeting

Tuesday, 5 December 2023

10:00am (AEST) (Brisbane Time)

To be held at the Sofitel Hotel

Ballroom 1, Level 1

249 Turbot Street, Brisbane, Queensland, 4001

# BOQ GROUP

We are always looking for ways to improve our reporting.  
Please send your questions or suggestions to our Investor  
Relations team at [Investorrelations@boq.com.au](mailto:Investorrelations@boq.com.au)

Bank of Queensland Limited

ABN 32 009 656 740

ACN 009 656 740

AFSL No. 244616

Level 6, 100 Skyring Terrace,

Newstead QLD 4006

# Message from the Chairman.

## Dear Shareholder,

It is my pleasure to invite you to join the 2023 Annual General Meeting (AGM) for Bank of Queensland Limited which will take place on Tuesday, 5 December 2023 at 10am (AEST) at the Sofitel Hotel Brisbane.

I am looking forward to hosting the AGM, for the first time in my capacity as Chairman, and look forward to seeing you there.

FY23 has seen some challenges, with industry headwinds and some key decisions made to set the Group up for future success, impacting on financial performance. Changes to the executive leadership team in FY23 led to Patrick Allaway stepping in, initially as Executive Chairman, and subsequently the Board made his appointment permanent as Managing Director & Chief Executive Officer. We also reduced the size of our executive team during the year. The leadership team of eight people is now more appropriate for a bank of our size.

We announced at last year's AGM that we had shifted our strategic priorities to uplift the operational resilience of the Group. We raised a \$60 million provision during the year to address identified risk weaknesses and later agreed two Court Enforceable Undertakings (CEU) with our regulators, APRA and AUSTRAC. We acknowledge these CEU's have eroded some of the trust our shareholders have in us. We recognise that we have material improvements to make and are using the CEUs as a platform to address our risk management and compliance weaknesses. We have scoped and submitted remediation plans with our regulators and are committed to this multi-year program of work.

### Board priorities and strategy

Good progress was made against our strategic pillars of Strengthen, Simplify, Digitise and Optimise through the year. Our key priorities during the year have included:

- Launching ME digital transaction and savings accounts. This is the third brand delivered on the digital banking core and we are well progressed with the build and testing of home loans, with ME digital home loans to be launched in FY24,
- Improving the financial resilience of the Group, which is evidenced by our strong liquidity and capital buffers, allowing flexibility in how we fund the bank and enabling our commitment to continue investing for the future of BOQ,
- Uplifting the operational resilience, risk culture, anti-money laundering and counter terrorism financing compliance, using the CEU's we have entered into as a platform for delivery of this uplift,
- Simplifying the business, with clear targets set to reset the cost base, a reduction of the executive team from 12 to eight, improving accountability and simplifying operations; and
- Developing a company vision which elevated the customer voice and puts customer experience at the centre of decision making.

### Business performance

BOQ delivered \$450 million after tax cash earnings and \$124 million statutory net profit after tax. The Board delivered a total dividend of 41 cents per share for the year, fully franked.

### Building a sustainable business

We recognise the important role we play in facilitating the shift to a low carbon economy and supporting our customers on this journey. A key highlight of the year was a 48 per cent increase in lending to sustainable assets.

The Board takes an active role in overseeing the Group's environmental commitments:

- 90 per cent reduction in scope 1 and 2 emissions and 40 per cent reduction in scope 3 emissions by 2030, compared to a 2020 baseline,
- Source 100 per cent of energy needs through renewables by 2025, with 84 per cent of this achieved in FY23; and
- Cease funding equipment directly involved in the extraction of fossil fuels by the end of 2024.

### AGM information

Full details of the Meeting and the resolutions are included in this Notice of Meeting. If you are unable to attend the Meeting in person you can still view the proceedings on our live webcast at <https://meetings.linkgroup.com/BOQAGM23>. If you cannot attend the Meeting and would like to ask a question you can do this online in advance of the Meeting.

Information on how to vote for the resolutions at the Meeting, irrespective of whether you attend or not, is detailed on pages 6 to 8.

Our Annual Report and Sustainability Report, Notice of Meeting and Proxy Form have been sent to shareholders who have elected to receive them in hard copy. They are also available on our website at <https://www.boq.com.au/Shareholder-centre/my-shareholding>.

Yours sincerely,



**Warwick Negus**  
Chairman

2 November 2023



# Participating in the BOQ 2023 Annual General Meeting.

BOQ shareholders (and their proxies, corporate representatives and attorneys (**Representatives**)) can participate in the Annual General Meeting of Bank of Queensland Limited (**BOQ** or **Company**) (2023 AGM or Meeting) in person. Those unable to attend in person can view the Meeting via live webcast with the option to ask written questions online during the Meeting.

Details on how to participate are set out on this page. Copies of the Chairman's and Chief Executive Officer's (**CEO**) speeches will be available on the ASX just prior to the 2023 AGM and will also be available on our website <https://www.boq.com.au/Shareholder-centre/my-shareholding/Annual-general-meetings>.

A replay of the webcast will also be available on our website shortly after the event. A transcript of the Meeting will also be made available on our website as soon as practicable after the event.

We recognise that the 2023 AGM is an important forum for our shareholders and as such we will provide shareholders with a reasonable opportunity to make comments and ask questions. The Chairman and CEO will generally answer questions, however, some questions may be referred to BOQ's Auditor or to another member of the Board or the Executive team. If appropriate a response will be provided after the 2023 AGM.

Shareholders should monitor the Company's website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Meeting.

## How to ask questions

**On the day of the Meeting** - Shareholders can comment or ask questions in person at the Meeting or online through the AGM Online Platform.

**Prior to the Meeting** - Shareholders can also submit questions to BOQ or BOQ's Auditor (in relation to the content of the Auditor's Report or the conduct of the audit of the Financial Reports) ahead of the Meeting online at [investorcentre.linkgroup.com](https://investorcentre.linkgroup.com). To use this facility please log in by entering your Shareholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) and your postcode or select 'Outside Australia'. You can also submit your questions by email to [boq@linkmarketservices.com.au](mailto:boq@linkmarketservices.com.au).

Questions submitted prior to the 2023 AGM will not be read or tabled at the 2023 AGM but we will seek to respond to shareholders' most pressing issues in the Chairman and the CEO addresses and, where applicable, in the comments on the resolutions. These questions must be received by 5:00pm (AEDT) (Sydney Time) on Tuesday, 28 November 2023.

## Voting options for the AGM

Shareholders have the option to vote on resolutions considered at the AGM by:

- appointing a proxy to vote on their behalf at the AGM by no later than 10:00am (AEST) (Brisbane Time) on Sunday, 3 December 2023; or
- voting in person at the Sofitel Hotel during the AGM.

Further information about each of these options is included on pages 6 to 8 of this Notice of Meeting.

Shareholders will **not** be able to vote online during the Meeting.

## 1. Attending in person

Shareholders may attend the 2023 AGM in Ballroom 1 on Level 1 at the Sofitel Hotel, 249 Turbot Street, Brisbane Queensland 4001, commencing at 10:00am (AEST) (Brisbane Time).

Registration commences at 9.15am (AEST) (Brisbane Time) on the day of the 2023 AGM and you will be given a voting card upon registering. Instructions on how to complete the voting card will be provided at the 2023 AGM. To avoid delays we recommend shareholders arrive comfortably prior to the 10:00am (AEST) (Brisbane Time) start time.

### Location

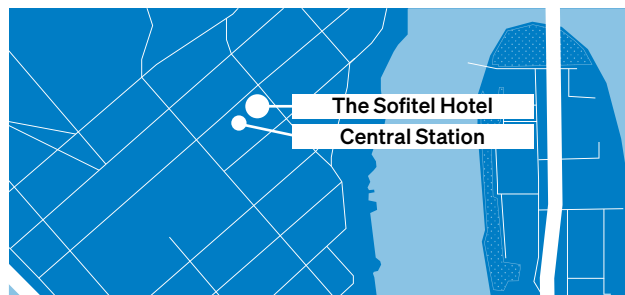
The 2023 AGM will be held at:

The Sofitel Hotel  
Ballroom 1, Level 1  
249 Turbot Street  
Brisbane Queensland 4001

### How to get there

**By car** – the Sofitel Hotel is approximately 30 mins from the Brisbane Domestic Airport. Carparking is available at the hotel and in public car parks located close to the hotel.

**By train** – the Sofitel Hotel is located above Brisbane Central Station with the hotel being accessible by escalator or lift from the main concourse.



## 2. Viewing the Meeting webcast

To watch a webcast of the 2023 AGM online and ask questions during the Meeting, please follow these steps:

- Enter [meetings.linkgroup.com/BOQAGM23](https://meetings.linkgroup.com/BOQAGM23) into a web browser.
- Complete the Online Registration Process.
- Once registered, you will be able to view the live webcast and ask a question through the webcast facility.
- To ask a question you must click on the 'Ask a Question' button. You will then need to input your SRN or HIN. This number is available on your holding statement.
- For proxies, you will need your proxy code to verify your appointment. This code will be emailed to you by Link Market Services no later than 24 hours prior to the 2023 AGM. Accordingly, you will need to have been registered as proxy by 10:00am (AEST) (Brisbane Time) on Sunday, 3 December 2023.

We will have support available to assist shareholders with any difficulties using the AGM Online Platform or the webcast.

Detailed instructions are in the Online AGM Guide available at <https://www.boq.com.au/Shareholder-centre/my-shareholding/Annual-general-meetings>.

# Notice of Annual General Meeting.

Notice is given that the Annual General Meeting (**Meeting**) of Bank of Queensland Limited ACN 009 656 740 (**BOQ or Company**) will be held on Tuesday, 5 December 2023 at 10:00am (AEST) (Brisbane Time) at the Sofitel Hotel, 249 Turbot Street, Brisbane, Queensland, 4001.

## Items of Business

### 1. Financial Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report of the Company for the financial year ended 31 August 2023.

**Note:** There is no requirement for shareholders to approve these reports. Accordingly, there is no vote on this item.

### 2. Re-election of Director

To re-elect Bruce Carter who retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

The Board (with Bruce Carter abstaining), recommends that shareholders vote **in favour** of the resolution in Item 2.

### 3. Remuneration Report

To adopt the Remuneration Report of the Company for the year ended 31 August 2023.

Noting that each Director has a personal interest in their own remuneration from the Company, as described in the Remuneration Report, the Board recommends that shareholders vote **in favour** of the resolution in Item 3.

**Note:** In accordance with section 250R of the *Corporations Act 2001 (Cth)* (**Corporations Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

**Note:** This resolution is subject to a voting exclusion as set out at the end of this Notice of Meeting.

### 4. Grant of Securities to the Managing Director & Chief Executive Officer – FY24 Long Term Variable Reward

That approval be given for all purposes, including ASX Listing Rule 10.14, for the grant of Executive Performance Rights to the Managing Director & Chief Executive Officer, Mr Patrick Allaway, in accordance with the terms described in Item 4 of the Explanatory Statement to the Notice of Meeting.

The Board (with Patrick Allaway abstaining) recommends that shareholders vote **in favour** of the resolution in Item 4.

**Note:** This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.


### 5. Grant of Securities to the Managing Director & Chief Executive Officer – FY23 Premium Priced Options

That approval be given for all purposes, including ASX Listing Rule 10.14, for the grant of Premium Priced Options to the Managing Director & Chief Executive Officer, Mr Patrick Allaway, in accordance with the terms described in Item 5 of the Explanatory Statement to the Notice of Meeting.

The Board (with Patrick Allaway abstaining) recommends that shareholders vote **in favour** of the resolution in Item 5.

**Note:** This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

By order of the Board of Directors



Fiona Daly

Company Secretary

2 November 2023

# Important voting information.

## Lodgement of proxies

BOQ shareholders unable to attend the Meeting are encouraged to register their appointment of proxy by no later than 10:00am (AEST) (Brisbane Time) on Sunday, 3 December 2023.

Shareholders may register their appointment of proxy online at [investorcentre.linkgroup.com](https://investorcentre.linkgroup.com) or by:

- requesting a proxy form from the Company's Share Registry by calling 1800 779 639 8.30am to 5.30pm (AEDT) (Sydney Time) Monday to Friday (excluding public holidays); or
- downloading an interactive proxy form from the Company's website at <https://www.boq.com.au/Shareholder-centre/my-shareholding/Annual-general-meetings>, and returning the completed form in the manner noted under "Proxies" below or on the form.

## Participation at the Meeting

For the purposes of the Meeting, all BOQ shareholders will be eligible to attend and ask a question at the Meeting. All BOQ shareholders may also vote on each item before the Meeting subject to the voting restrictions set out in this Notice of Meeting.

For the purposes of the Meeting, a person will be considered a shareholder if they were registered as a shareholder of the Company at 10:00am (AEST) (Brisbane Time) on Sunday, 3 December 2023.

## Conduct of the Meeting

The Company is committed to ensuring that its shareholder meetings are conducted in a manner which provides those shareholders (or their proxy holders or representatives) who are present at the Meeting with the opportunity to participate in the business of the Meeting and to ask questions about matters relevant to the business of the Meeting or the Company generally. The Chair of the Meeting will exercise his or her powers as the Chair such that that the Meeting is conducted in an orderly fashion in the interests of all shareholders.

## Voting Restrictions

### ITEM 3 – Remuneration Report

BOQ will disregard any votes cast, on the resolution in Item 3:

- by or on behalf of a member of KMP, details of whose remuneration is included in the Remuneration Report for the year ended 31 August 2023, and that KMP's closely related parties (regardless of the capacity in which the vote is cast); or
- as a proxy by a member of the KMP on the date of the Meeting or their closely related parties.

However, BOQ need not disregard a vote if it is cast:

- as proxy for a person entitled to vote on the resolution in Item 3 in accordance with the directions given on the proxy form for this resolution; or
- by the Chair of the Meeting, in accordance with an express authorisation in the proxy form to exercise the proxy even though the resolution in Item 3 is connected directly or indirectly with the remuneration of the KMP.

### ITEM 4 AND ITEM 5– Grant of Securities to the Managing Director & Chief Executive Officer

BOQ will disregard any votes cast on the resolutions in Item 4 and Item 5:

- in favour of the resolution by, or on behalf of, Mr Patrick Allaway (being the only director who is eligible to participate in the Company's equity incentive plan) or any of his associates (regardless of the capacity in which the vote is cast); or
- as proxy by a person who is a member of the KMP on the date of the Meeting or their closely related parties.

However, BOQ need not disregard a vote if it is cast:

- as proxy or attorney for a person entitled to vote on the resolutions in Item 4 and Item 5 in accordance with the directions given to the proxy or attorney on the proxy form;
- by the Chair of the Meeting as proxy for a person entitled to vote on the resolutions in Item 4 and Item 5, in accordance with an express authorisation in the proxy form to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP; or
- by a person acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the person that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolutions in Item 4 and Item 5; and
  - the person votes on the resolutions in Item 4 and Item 5 in accordance with directions given by the beneficiary to the person to vote in that way.

For the purposes of these voting restrictions:

1. **KMP** means the key management personnel of BOQ, being the Directors of BOQ (including the Chairman and the Managing Director & CEO) and other employees having authority and responsibility for planning, directing and controlling the activities of BOQ, directly or indirectly. The Remuneration Report identifies BOQ's key management personnel for the financial year ended 31 August 2023.
2. **Closely related party** has the meaning given in the Corporations Act and when used in relation to a member of the KMP will include a spouse, dependent and certain other close family members as well as any other companies controlled by the member of the KMP.
3. **Associate** has the meaning given in the ASX Listing Rules and when used in relation to the Managing Director and Chief Executive Officer will include a spouse, parents, children, as well as any companies controlled by any of them, unless the contrary is established.

# Important voting information (continued)

## Proxies

1. A shareholder who is entitled to attend and vote at the Meeting may appoint:
  - one proxy if the shareholder is only entitled to one vote; or
  - one or two proxies if the shareholder is entitled to more than one vote.
2. Where the shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be disregarded.
3. A proxy need not be a shareholder of BOQ and may be an individual or a body corporate.
4. Shareholders may register the appointment of proxies online at [investorcentre.linkgroup.com](https://investorcentre.linkgroup.com), by no later than 10:00am (AEST) (Brisbane Time) on Sunday, 3 December 2023.
5. Alternatively, shareholders may request a proxy form from the Company's Share Registry by calling 1800 779 639 8.30am to 5.30pm (AEDT) (Sydney Time) Monday to Friday (excluding public holidays) or download an interactive proxy form from the Company's website at <https://www.boq.com.au/Shareholder-centre/my-shareholding/Annual-general-meetings>, and return the completed form via the methods noted below or on the form.
6. If you have requested and/or wish to lodge a completed proxy form with the Company's Share Registry, the form and any power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company's Share Registry by no later than 10:00am (AEST) (Brisbane Time) on Sunday, 3 December 2023:

### by mail to:

Bank of Queensland Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia; or

### by hand to:

Link Market Services Limited\*  
Parramatta Square  
Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150

\*During business hours (Monday to Friday, 9:00am–5:00pm (AEDT) (Sydney Time); or

### by fax to:

+61 2 9287 0309; or

### online at:

[investorcentre.linkgroup.com](https://investorcentre.linkgroup.com)

## Attorneys

If a shareholder has appointed an attorney to attend and vote at the Meeting, or if the shareholder's proxy form is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) must be provided to the Company's Share Registry, Link Market Services Limited, in the manner and by the same time, as specified for proxy appointments (above), unless the power of attorney has been previously lodged with the Company's Share Registry.

## Corporate representatives

If a corporate shareholder wishes to appoint a person to act as its representative at the Meeting, that person must be provided with a letter or certificate authorising him or her as the company's representative (executed in accordance with the company's constitution) or with a copy of the resolution appointing the representative, certified by a secretary or director of the company.

A form of appointment of corporate representative may be obtained from the Company's Share Registry by calling 1800 779 639 8.30am to 5.30pm (AEDT) (Sydney Time) Monday to Friday (excluding public holidays) or online at:

[investorcentre.linkgroup.com](https://investorcentre.linkgroup.com)

To be effective, evidence of the appointment of a corporate representative must be returned by email to [vote@investorcentre.linkgroup.com](mailto:vote@investorcentre.linkgroup.com) by the same time as specified for proxy appointments (above).

## Directing your proxy vote

If you wish to direct your proxy how to vote on any resolution, you can mark the "For", "Against" or "Abstain" box online or in Step 2 on the proxy form (as applicable).



## Important voting information (continued)

### Proxy voting by the Chair of the Meeting

If you appoint the Chair of the Meeting as your proxy or the Chair of the Meeting is appointed as your proxy by default and you do not specify how the Chair of the Meeting is to vote on a resolution, by completing and submitting the proxy form, you expressly authorise the Chair of the Meeting to vote your proxy as he or she sees fit even though the resolution may be connected with the remuneration of one or more KMP.

Please note that if you do not name a proxy in the Proxy Form or your named proxy does not register to attend the AGM, the Chair of the Meeting will become your proxy by default. If your named proxy registers to attend the AGM but does not vote on a poll in accordance with your instructions on a resolution, the Chair of the Meeting will become your proxy for that resolution. In this case, the Chair of the Meeting must vote your proxies in accordance with your instructions on the relevant resolution.

The Chair of the Meeting intends, as at the date of this Notice of Meeting, to vote undirected proxies **in favour** of each of the resolutions set out in this Notice of Meeting.

### Poll

Voting on all resolutions will be determined by a poll at the Meeting.

Shareholders not attending the Meeting are encouraged to lodge their directed proxy form online in advance of the meeting at [investorcentre.linkgroup.com](https://investorcentre.linkgroup.com) by no later than 10:00am (AEST) (Brisbane Time) on Sunday, 3 December 2023.

Alternatively, shareholders may request a proxy form from the Company's Share Registry by calling 1800 779 639 8.30am to 5.30pm (AEDT) (Sydney Time) Monday to Friday (excluding public holidays) or by downloading an interactive proxy form from the Company's website at <https://www.boq.com.au/Shareholder-centre/my-shareholding/Annual-general-meetings>, and return the completed form in the manner noted under "Proxies" above or on the form by no later than 10:00am (AEST) (Brisbane Time) on Sunday, 3 December 2023.

The results of the voting on resolutions requiring a shareholder vote at the Meeting will be announced to the ASX promptly after the Meeting.

### Questions

Shareholders are encouraged to submit questions in advance of the Meeting. Questions may be submitted to the Chairman or the Auditor by submitting a question online at [investorcentre.linkgroup.com](https://investorcentre.linkgroup.com).

Questions submitted this way must be received by no later than 5:00pm (AEDT) (Sydney Time) on Tuesday, 28 November 2023 to allow time to collate questions and prepare answers.

The Chair and the Managing Director & CEO (as applicable) will seek to respond to the more frequently asked questions in their addresses at the Meeting.

Shareholders will also be provided with a reasonable opportunity to ask questions about, or make comments on, the business of the Meeting, the management of the Company or about the Company generally during the Meeting. It may not be possible to respond to all questions during the Meeting.



# Explanatory notes.

## Item 1 - Financial statements and reports

The Corporations Act requires the Financial Report (which includes the Financial Statements and Notes and Directors' Declaration), the Directors' Report and the independent Auditor's Report to be presented before the Meeting.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports and on the business, operations and management of BOQ. This item does not require a formal resolution put to the Meeting.

The Company's Auditor will be present at the Meeting and the Chair of the Meeting will provide a reasonable opportunity for shareholders to ask audit-related questions on the content of the independent Auditor's Report or the conduct of its audit of the Company's Financial Report for the year ended 31 August 2023. Shareholders may also submit written questions to the Company's Auditor on these matters. Such questions must be received by no later than 5:00pm (AEDT) (Sydney Time) on Tuesday, 28 November 2023. The Auditor is not obliged to provide written answers.

## Item 2 – Re-election of director

The board of directors of the Company (**Board**) is, at the date of this Notice of Meeting, comprised of six Non-Executive Directors and one Executive Director (being the Managing Director & CEO).

The Board regularly reviews its composition in seeking to ensure there is an appropriate range of skills, and an appropriate mix of business talents, outlooks, backgrounds and diversity that enhance the breadth of operation of the Company's business and its future strategy.

To assist in identifying the areas of focus and continue to maintain an appropriate mix of relevant skills in the Board's membership, a skills matrix is used which addresses factors such as gender, professional experience and qualifications, in order to promote a diverse range of skills and experience.

The Nomination & Governance Committee monitors the skills and experience of existing Directors with a view to ensuring that new Board appointees enhance the skill diversity of the Board. In addition, the Board undertakes an annual review of its performance. This review includes an assessment of each Director's individual performance.

All Directors have extensive business experience in their chosen fields of endeavour, and in business generally and these skills are relevant to the business conducted by the Company.

There is one resolution proposed for the re-election of a Director to the Board.

Background information on the Director seeking re-election is provided below.

### Mr Bruce Carter

Mr Carter has served on the Board since February 2014. He is Chair of the Risk Committee and a member of the Audit, Transformation & Technology, Investment, People, Culture and Remuneration and Nomination & Governance Committees.

Mr Carter was a founding Managing Partner of Ferrier Hodgson South Australia, a corporate advisory and restructuring business, and has worked across a number of industries and sectors in the public and private sectors. He has been involved with a number of state government-appointed restructures and reviews including chairing a task force to oversee the government's involvement in major resource and mining infrastructure projects. Mr Carter had a central role in a number of key government economic papers including the Economic Statement on South Australian Prospects for Growth, the Sustainable Budget Commission, and the Prime Minister's 2012 GST Distribution Review.

Before Ferrier Hodgson, Mr Carter was at Ernst & Young for 14 years including four years as Partner in Adelaide. During his time at Ernst & Young, he worked across the London, Hong Kong, Toronto and New York offices. Mr Carter is currently Chair of AIG Australia Limited, Australian Submarine Corporation and Sage Group Holdings Limited, and a Non-Executive Director of Lovisa Holdings Limited.

Mr Carter has been assessed under the BOQ Fit & Proper Policy which requires an assessment of the fitness and propriety of all new and existing directors to hold office against BOQ's documented criteria of competencies required for the office. As part of this assessment, Mr Carter has confirmed to BOQ that he will be able to dedicate sufficient time to fulfil his responsibilities as a Non-Executive Director.

In accordance with BOQ's Policy on Independence of Directors, the Board has determined that Mr Carter remains independent and he is able to exercise independent judgement to provide an objective assessment of matters considered by the Board.

Mr Carter was last elected as a Non-Executive Director of the Company in December 2020. He retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

The Board considers that Mr Carter continues to be a valuable addition to the Board in light of the particular skills, knowledge and experience that he brings to the Board and his leadership as Chair of the Risk Committee, as well as his valuable contribution on other Board committees. The Board considers that Mr Carter's extensive experience supports his re-election.

### Recommendation

The Board (with Mr Carter abstaining) recommends that shareholders vote **in favour** of Mr Carter's re-election as a Director of the Company.

## Explanatory notes (continued)

### Item 3 – Remuneration Report (non-binding resolution)

Under the Corporations Act, listed companies are required to put to their shareholders a resolution to adopt the Remuneration Report contained in the Annual Report for the relevant financial year. The resolution is advisory only and does not bind the Directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the BOQ's future remuneration arrangements.

The Remuneration Report sets out the Board's policies for remuneration of BOQ's key management personnel, including a discussion of the relationship of remuneration to BOQ's performance, and other information required by the Corporations Act about Director and senior manager remuneration.

BOQ's Remuneration Report for the financial year ended 31 August 2023 can be found at <https://www.boq.com.au/content/dam/boq/microsites/annual-reports/2023/2023-annual-report.pdf> and on page 88 to 122 of BOQ's 2023 Annual Report.

#### Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company, as described in the Remuneration Report, the Board recommends that shareholders vote **in favour** of the advisory resolution to adopt the Remuneration Report.

### Item 4 – Grant of securities to the Managing Director and Chief Executive Officer - FY24 Long-Term Variable Reward (LTVR)

The Board is seeking shareholder approval for the grant of Executive Performance Rights (**EPRs**) (and any shares issued on vesting of those EPRs) equivalent in value to \$1,500,000 to Mr Patrick Allaway, the Managing Director & Chief Executive Officer of the Company under BOQ's Employee Incentive Plan (**EIP**).

Mr Allaway's FY24 LTVR will be measured over a four-year period, commencing 1 September 2023 and ending 31 August 2027. The performance hurdles for the EPRs comprising the FY24 LTVR will allow the Board to ensure that the variable remuneration is aligned with the interests of shareholders and compliant with the requirements of APRA Prudential Standard CPS 511 Remuneration (**CPS 511**).

Shares will be issued in respect of any vested EPRs. 33 per cent of those shares will be available to the Managing Director and Mr Allaway in December 2027. Dealing restrictions will be placed on the remainder of the shares, to be released as follows:

- 33 per cent in December 2028 (i.e., after 5 years).
- 34 per cent in December 2029 (i.e., after 6 years).

Mr Allaway is a Senior Manager of BOQ as defined in the APRA Prudential Standards and an Accountable Person of BOQ as defined in the Banking Executive Accountability Regime (**BEAR**) and accordingly his variable remuneration arrangements for FY24 (incorporating both STVR and LTVR) have been designed to ensure compliance with CPS 511 and BEAR requirements and the incoming Financial Accountability Regime (**FAR**).

In addition to the regulatory and compliance requirements, the Board believes that in order to align the interests of Mr Allaway to those of BOQ and its shareholders, part of the remuneration for Mr Allaway's services to BOQ should be performance based and at risk and should involve equity interests in BOQ. The Board therefore wishes to make a grant of EPRs to Mr Allaway equivalent in value to \$1,500,000 (1x his fixed remuneration) in FY24.

#### How will the number of EPRs be calculated

The number of EPRs to be issued will be calculated based on a face value as follows:

$$\text{Number of EPRs} = \frac{\$1,500,000}{\text{VWAP}}$$

Where:

- \$1,500,000 is 100 per cent of Mr Allaway's fixed remuneration; and
- VWAP is the daily volume weighted average price of ordinary shares in BOQ sold on the ASX over the period 10 trading days immediately following the 2023 AGM.

No amount is payable by Mr Allaway on the grant or exercise of EPRs. The maximum number of ordinary shares that may be provided to Mr Allaway on the vesting of these EPRs is the same as the number of EPRs awarded by dividing the face value of the award by the VWAP.

Mr Allaway's maximum LTVR opportunity is 100 per cent of his fixed remuneration.

The Board will determine the number of EPRs to be allocated to Mr Allaway on the basis outlined above. The terms of issue will be compliant with regulatory requirements. Mr Allaway will not be offered another allocation of EPRs before the FY25 LTVR grant cycle (and any such future offers will be subject to Board and shareholder approval).

# Explanatory notes (continued)

## Performance hurdles for EPRs

The performance hurdles for EPRs align Mr Allaway's interests with those of shareholders, comply with the requirements of CPS 511 by reflecting material weighting to non-financial measures, and are aligned to BOQ's strategic pillars. They are measured over a four-year performance period as follows:

### a) Customer Experience tranche - 20 per cent weighting

Net Promoter Score (NPS) ranking across BOQ Retail Main Financial Institution (MFI), ME Bank MFI and Business Bank Any Financial Relationship (AFR).

- If all three NPS targets are achieved, 100 per cent of the Customer Experience tranche will vest.
- If two of three NPS targets are met, 66 per cent of the Customer Experience tranche will vest.
- If one of three NPS targets is met, 33 per cent of the Customer Experience tranche will vest.
- If none of three NPS targets are met, there will be nil vesting of the Customer Experience tranche.

### b) Strengthen tranche - 30 per cent weighting

Program rQ and AML First, BOQ's remedial action plans, are on track for completion in accordance with the approved plan, within the agreed timeframes, to the satisfaction of the Board, the independent assurers and the regulators, measured via project status (RAG).

- If both remedial action plans have a Green RAG status at the end of the four-year performance period, 100 per cent of the Strengthen tranche will vest.
- If one remedial action plan has a Green RAG status at the end of the four-year performance period, 50 per cent of the Strengthen tranche will vest.
- If neither of the remedial action plans has a Green RAG status at the end of the four-year performance period, there will be nil vesting of the Strengthen tranche.

### c) Optimise tranche - 50 per cent weighting

#### (i) Return on Equity (ROE) 9.25 per cent or higher in the final year of the four-year performance period:

- If ROE is greater than 9.25 per cent, 50 per cent of the Optimise tranche will vest.
- If ROE is between 8 and 9.25 per cent, between 0 per cent and 50 per cent of the Optimise tranche will vest on a straight-line basis.
- If ROE is less than 8 per cent, there will be nil vesting ROE portion of the Optimise tranche.

#### (ii) Absolute Total Shareholder Return (aTSR) by the end of the four-year performance period:

- If aTSR is 46.4 per cent (10 per cent Compound Annual Growth Rate (CAGR)) or above, 50 per cent of the Optimise tranche will vest.
- If aTSR is between 30.4 per cent and less than 46.4 per cent (7.5 per cent to 10 per cent CAGR) between 0 per cent and 50 per cent of the Optimise tranche will vest on a straight-line basis.
- If aTSR is less than 30.4 per cent (7.5 per cent CAGR) there will be nil vesting of a TSR portion of the Optimise tranche.

Following the end of the four-year performance period, performance will be tested against the measures set out above.

In addition to testing the performance measures, if the performance testing results in the vesting of EPRs, the Board will conduct a pre-vesting assessment to inform whether there should be any downward adjustment to the outcomes of that testing. The pre-vesting assessment will comprise the following questions:

- Over the course of the four-year performance period:
  - Were the Group's RAS measures within target range?
  - Was there adverse movement to the Group's APRA supervision rating?
  - Has the Group's culture (including risk culture) improved to the satisfaction of the Board?
  - Were any accountability, risk management, compliance, conduct, leadership or behavioural matters identified?
  - Did the executive demonstrate effective enterprise-wide thinking?
  - Are there any other factors (internal or external) that the Board considers relevant to the vesting of the award or has any information come to light that, if known or foreseen at the time of grant, would have resulted in a reduction to the value of the executive's LTVR award?

## Vesting Schedule

Shares will be issued in respect of any vested EPRs. 33 per cent of those shares will be available to Mr Allaway in December 2027. Restrictions will be placed on the remainder of the shares, to be released as follows:

- 33 per cent in December 2028 (i.e., after 5 years).
- 34 per cent in December 2029 (i.e., after 6 years).

The Board may adjust the above schedule in its discretion, for example to address a significant unexpected or unintended consequence or outcome.

Any EPRs that do not vest following the performance assessment will lapse. EPRs and any shares subject to Dealing restrictions are subject to malus considerations by the Board and will be eligible to be released at the end of the Restriction period. In addition, the EPR awards will be subject to malus considerations by the Board, and in relation to serious and material matters may be subject to a reduction adjustment (including to nil) prior to vesting, or clawback post vesting. This ensures that the outcomes, that would otherwise be delivered, appropriately consider risk, accountabilities and reputation outcomes. The Board may also delay vesting of awards or postpone the allocation of shares (or payment of any cash amount) to allow time for it to determine the appropriate outcome.



## Explanatory notes (continued)

### Cessation of employment

Unless the Board determines otherwise:

Reason for ceasing employment	Unvested EPRs	Vested but unexercised EPRs	Shares held during Dealing Restriction Period
Summarily dismissed	Lapse	Lapse	Forfeited
Resign	Lapse	Remain on foot, must be exercised within 60 days of cessation date, after which time they will lapse.	Remain on foot
Qualifying Reasons	Pro-rata retention based on the portion of the relevant Performance Period that has elapsed	Remain on foot, must be exercised within 60 days of cessation date, after which time they will lapse.	Remain on foot
Leave to work with a competitor or employed by a competitor of BOQ within six months of ceasing, irrespective of the reason for ceasing employment	Lapse	Remain on foot, must be exercised within 60 days of cessation date, after which time they will lapse.	Remain on foot

EPRs and shares that remain on foot continue to be subject to their original terms (including Vesting Conditions, Dealing restrictions, malus and clawback), as if employment had not ceased.

Further information required by ASX Listing Rules is set out in Annexure A below, and further information regarding the material terms of the EIP are set out in Annexure B below.

### Recommendation

The Board (with Mr Allaway abstaining) recommends that shareholders vote **in favour** of the resolution in Item 4.

## Item 5 – Grant of securities to the Managing Director and Chief Executive Officer – FY23 Premium Priced Options

The Board is seeking shareholder approval to grant Mr Patrick Allaway, BOQ's Managing Director & Chief Executive Officer, up to \$441,534 worth of Premium Priced Options under the EIP as his LTVR in respect of the financial year ended 31 August 2023.

As stated in the Company's 2023 Remuneration Report, the Board is seeking approval to grant Mr Allaway a pro-rated award of Premium Priced Options in relation to FY23. Mr Allaway commenced as Managing Director & Chief Executive Officer on 27 March 2023. The Board believes providing the Managing Director & Chief Executive Officer this opportunity is fair and appropriate, given that Mr Allaway was not provided any FY23 Performance Shares. The Board also believes that it is in the interests of shareholders to align Mr Allaway's FY23 remuneration arrangements with the remuneration arrangements of the Company's other senior executives for that period.

Mr Allaway's FY23 Premium Priced Options will vest subject to satisfaction of the vesting conditions described below over two different vesting periods.

Accordingly, the allocation price, number of Premium Priced Options awarded and the exercise price for the Premium Priced Options is calculated based on the VWAP of BOQ shares over the ten trading days immediately following the 2022 Meeting, as described below.

Mr Allaway will be entitled to receive one fully-paid ordinary BOQ share for each Premium Priced Option that vests, is exercised and the exercise price paid. The BOQ shares received will be a restricted share, subject to dealing restrictions for a further period.

### Number of Premium Priced Options awarded

If shareholders approve this resolution, Mr Allaway will be awarded 796,562 Premium Priced Options. The Board has determined this number by dividing his opportunity of \$441,534 by the value of a Premium Priced Option. The value of Premium Priced Options is 8 per cent of the VWAP of BOQ shares over the ten trading days immediately following the 2022 Meeting, rounded up to the nearest whole number, being \$6.9286.

### Exercise price

The exercise price for each Premium Priced Option will be \$8.3143, being 120 per cent of the VWAP of BOQ shares over the ten trading days immediately after the 2022 Meeting.

This means the Premium Priced Options will only be valuable to Mr Allaway if the Company's share price increases by more than 20 per cent over the relevant period. This aligns Mr Allaway's remuneration with long-term value creation for shareholders.

## Explanatory notes (continued)

### Vesting conditions and vesting period

Premium Priced Options will be eligible to vest according to the following schedule:

- 50 per cent will be eligible to vest in December 2026; and
- 50 per cent will be eligible to vest in December 2027.

At the time of vesting, the Board may determine in its absolute discretion that all or some of the Premium Priced Options do not vest and in making this assessment will consider Mr Allaway's ongoing satisfactory performance and compliance with the terms of his employment agreement and Group policies, as well as conduct, risk behaviours and outcomes.

Vested Premium Priced Options may be exercised until the applicable Expiry Date, which are the second anniversary of each tranche of Premium Priced Option's vesting date (i.e. in December 2028 and December 2029).

Any Premium Priced Options that are not exercised by this date will automatically lapse.

### Restriction period

Premium Priced Options (vested but unexercised, vested but restricted, or unvested) may not be dealt with at any time.

Mr Allaway's vested Premium Priced Options and, if he exercises his vested Premium Priced Options, any restricted shares allocated to him, will be subject to dealing restrictions for one year from the date of vesting (i.e. until December 2027 and 2028, as applicable).

Mr Allaway will be free to deal with his shares after the end of the applicable restriction period, subject to BOQ's Securities Trading Policy.

### Dividend and voting rights

Premium Priced Options do not carry any dividend or voting rights. Shares allocated on vesting and exercise of Premium Priced Options carry dividend and voting rights from allocation.

### Cessation of employment

If Mr Allaway ceases employment, his Premium Priced Options and restricted shares will be treated as set out below, unless the Board determines otherwise. Any unvested Premium Priced Options that remain on foot will vest in the usual course (subject to satisfaction of the applicable vesting conditions) and all Premium Priced Options and restricted shares that remain on foot will be subject to their original offer terms (including dealing restrictions).

Reason for ceasing employment	Unvested Options	Vested Options (4 or 5 year service condition has been met)	Restricted Shares after exercise of Options
Summarily dismissed	Lapse	Lapse	Forfeited
Resign	Qualifying condition: If at least three years' service has been completed from the FY23 Options grant date, pro-rata retention based on the portion of the relevant Vesting Period elapsed. Unvested options lapse, if above qualifying condition is not met.	Remain on foot, must be exercised within 60 days of cessation of employment, after which time they will lapse	Remain on foot
In all other cases (e.g., redundancy, retirement, mutually agreed separation)	Pro-rata retention based on the portion of the relevant Vesting Period that has elapsed	Remain on foot, must be exercised within 60 days of cessation of employment, after which time they will lapse	Remain on foot
Leave to work with a competitor or is employed by a competitor of BOQ within six months of ceasing, irrespective of the reason for ceasing employment.	Lapse	Remain on foot, must be exercised within 60 days of cessation of employment, after which time they will lapse	Remain on foot

As noted above, further information required by ASX Listing Rules is set out in Annexure A below, and further information regarding the material terms of the EIP are set out in Annexure B below.

### Recommendation

The Board (with Mr Allaway abstaining) recommends that shareholders vote **in favour** of the resolution in Item 5.

## Explanatory notes (continued)

### Annexure A - Further information for both Items 4 and 5

#### Information required by the ASX Listing Rules

ASX Listing Rule 10.14 requires the approval of shareholders to be sought where BOQ intends to issue securities (the alternative being to purchase shares on-market) under an employee incentive scheme to a Director. No securities have been issued to any Director under an employee incentive scheme since the last shareholder approval was given under Listing Rule 10.14 in 2021.

While it is not currently intended that shares will be issued (as they will likely be acquired on-market) to satisfy an award of vested EPRs or vested and exercised Premium Priced Options, shareholder approval is nonetheless being sought to provide flexibility to issue the shares should that be desirable at the relevant time.

Mr Allaway is the only Director of BOQ, or associate of a Director, entitled to participate in the EIP. No other Director, or their associate, will be permitted to participate in the EIP unless approved by shareholders under ASX Listing Rule 10.14.

#### Additional Information required by the ASX

- Mr Allaway is a director of the Company and therefore an ASX Listing Rule 10.14.1 party.
- The ASX Listing Rules require this Notice of Meeting to state the number and average acquisition price (if any) of securities previously issued to Mr Allaway under the EIP, since becoming Managing Director & CEO of the Company in 2023. Mr Allaway has not previously received securities under the EIP.
- Details of Mr Allaway's current total remuneration package for FY24 are set out below.
  - Fixed Remuneration, comprising base salary and superannuation of \$1,500,000;
  - Short Term Variable Reward (**STVR**) maximum opportunity of \$1,800,000;
  - Long Term Variable Reward (**LTVR**) opportunity of \$1,500,000 (see Item 4).

In addition, Mr Allaway is being retrospectively offered an award of FY23 Premium Priced Options with a maximum face value of \$441,534. (see Item 5).

- BOQ grants securities because they create share price alignment between Mr Allaway and shareholders but do not provide the full benefits of share ownership (i.e. dividend and voting rights) unless they vest.
- If shareholder approval is granted, the securities will be allocated to Mr Allaway within 12 months of the Meeting. If shareholder approval is given under ASX Listing Rule 10.14, it is not required under ASX Listing Rule 7.1.
- If shareholder approval is not obtained for the grant of securities, the Board will consider alternative arrangements in respect of the relevant award to appropriately remunerate and incentivise Mr Allaway such as deferred cash to ensure remuneration arrangements are compliant with regulatory requirements. If deferred cash awards are granted, this may diminish the alignment of the CEO's interests with those of the rest of our senior leadership team and shareholders.
- No loan will be made available in relation to the acquisition of securities.
- Details of any securities issued under the EIP will be published in BOQ's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
- Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the EIP after this resolution is approved and who is not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.



## Explanatory notes (continued)

### Annexure B – Summary of the terms of the EIP

Set out below is a summary of the terms of the EIP.

1. Under the rules of the Plan Rules, BOQ may, from time to time, in its absolute discretion invite eligible employees (including a director employed in an executive capacity) of BOQ and its related bodies corporate (each an Eligible Employee) to participate in a grant of Plan Securities, which may comprise any one or more of Rights, Options, Shares, Restricted Shares and Units (Offer).
2. Offers will be made on the terms set out in the Plan Rules and/or any additional or alternative terms as the Board determines, as specified in the terms of an Offer.
3. The Board may, at its discretion, refuse to allow the participation of an Eligible Employee where that Eligible Employee ceases to be an employee (including a director employed in an executive capacity) of BOQ or any of its related bodies corporate, or fails to satisfy any other conditions imposed by the Board, before the relevant grant is made.
4. Unless the Board determines otherwise, no payment is required for the grant of a Plan Security.
5. Subject to BOQ's Securities Trading Policy, any dealing in respect of a Plan Security prior to vesting is prohibited unless the Board determines otherwise or the dealing is required by law (provided the relevant participant has provided satisfactory evidence of that fact).
6. Subject to an express rule to the contrary, a Plan Security will only vest (and if and as applicable, become exercisable (in the case of Options and Rights), have all restrictions on disposal or dealing cease (in the case of Restricted Shares) or result in an entitlement to be paid a cash payment (in the case of a Unit) where each applicable vesting condition, and all other relevant conditions have been satisfied or waived by the Board.
7. Subject to the Board determining that the vesting of a Right or Option will be satisfied by BOQ making a cash payment in lieu of an allocation of Shares, the vesting (and exercise, if applicable) of a Right or Option will be satisfied by BOQ allocating to the relevant participant the number of Shares in respect of which the relevant Rights or Options have vested (and have been exercised (if applicable)). If the Board determines that the vesting of a Right or Option will be satisfied by BOQ making a cash payment in lieu of an allocation of Shares, the cash payment will be calculated:
  - in respect of Rights, by multiplying the number of Shares underlying the relevant Rights by the current market price of the Shares; and
  - in respect of Options, by multiplying the number of Shares underlying the relevant Options by the current market price of the Shares, less any exercise price that would have otherwise been payable in respect of the relevant Options.
8. The vesting of a Unit will result in a cash payment by BOQ to the relevant participant equivalent to the cash value of the Units that have vested, to be calculated by multiplying the number of Units that have vested by the current market price of the Shares, unless otherwise specified.
9. A Right or Option granted under the EIP will lapse on the earliest to occur of (amongst other things) 15 years after the date of allocation to the relevant participant or any other nominated expiry date, failure to meet a vesting condition or any other relevant condition, or the participant's election to surrender the Right or Option.
10. A Unit granted under the EIP will lapse on the earliest to occur of (amongst other things) failure to meet a vesting condition or any other relevant condition, or the participant's election to surrender the relevant Unit.
11. A Restricted Share granted under the EIP will be forfeited on the earliest to occur of (amongst other things) a failure to meet a vesting or other relevant condition, or the participant's election to surrender the Restricted Share.
12. The Board may determine that some or all of a participant's unvested Plan Securities will (as applicable) lapse, be forfeited, vest, are exercisable for a prescribed period, are no longer subject to restrictions and/or are subject to modified vesting conditions, if the participant ceases to be employed by BOQ or any of its related bodies corporate.
13. The Board may determine that a participant's entitlement to Plan Securities or Shares may be reduced or extinguished through lapse or forfeiture, the participant must pay or repay to BOQ a monetary amount in certain circumstances, or the restrictions on disposal of Restricted Shares be extended, where (amongst other circumstances):
  - the participant has acted fraudulently or dishonestly, engaged in gross misconduct, engaged in an act which may impact negatively on, or breached their duties or obligations to, BOQ or any of its related bodies corporate, or been convicted of an offence or has a judgement entered against them in connection with the affairs of BOQ or any of its related bodies corporate;
  - BOQ is required or entitled to reclaim remuneration from the participant or reduce the participant's remuneration outcome under law, regulation, contract or policy; or
  - a significant unexpected or unintended consequence or outcome has occurred which impacts BOQ or any of its related bodies corporate.
14. If a change of control event occurs (as opposed to an actual change in the control of BOQ), the Board may determine that some or all of a participant's Plan Securities vest or cease to be subject to restrictions (as applicable). If an actual change in the control of BOQ occurs then all unvested Plan Securities will immediately vest (and, in the case of Rights and Options become exercisable) unless the Board determines otherwise. In each case, any unvested Plan Securities that do not vest will lapse unless the Board determines a different treatment.
15. Options and Rights carry no entitlement to participate in new issues of Shares by BOQ prior to vesting and exercise (if applicable). However, the Board may grant additional Rights, Units or Options or make any adjustments it considers appropriate to the terms of any relevant Plan Security in order to minimize or eliminate any material disadvantage to a participant resulting from a corporate action by, or capital reconstruction in relation to, BOQ. Options and Rights will also, in certain circumstances (such as in the case of a prorated or bonus issue of Shares by BOQ), be adjusted in the manner allowed or required by the ASX Listing Rules.
16. Subject to the terms of any relevant trust deed or Offer, participants will be entitled to receive all dividends and other distributions or benefits payable, and exercise or direct the exercise of voting rights, in each case in respect of their Shares.

**BOQGROUP**