



# Board Performance Review and Renewal Policy

---

## 1. Reason for Policy

Bank of Queensland Limited (the Bank) conducts its business in a complex and constantly changing regulatory and business environment. It is important that the Board review its own performance and those of its Committees from time to time, with a view to achieving and maintaining a high level of performance in such an environment. This Policy is applicable to each of the Boards and Board Committees of the Bank and its APRA regulated subsidiaries. References to the Board in this Policy mean the Board of the Bank and/or the Board of each of the Bank's APRA regulated subsidiaries.

## 2. Key functions of the Board

- 2.1 The Board Charter outlines the Board's responsibilities and powers and those which are delegated to management.
- 2.2 The Board reviews its performance and those of its Committees, in carrying out key responsibilities in accordance with this Policy.
- 2.3 Each Director is expected to:
  - (a) actively seek a full appreciation of the business of the Bank (or business of the subsidiary, as applicable) including key business drivers, the risks facing the Bank (or subsidiary) and applicable risk management policies, the regulatory environment in which the company operates and banking, finance and insurance sector issues (as applicable to the company);
  - (b) actively participate in open, honest discussion and bring an independent mind to bear on matters before the Board.

Each of the Directors will engage in a review of performance in accordance with this Policy.

## 3. Appointment of Directors

- 3.1 When appointing a new director, the Board will consider potential candidates taking into account the need to balance the skills, tenure, experience, diversity and perspectives of its directors as a whole.
- 3.2 Potential candidates for board positions will be sourced using the Board's

contacts and market intelligence, as well as through the services of specialist external advisers.

- 3.3 In sourcing new directors, the Board will have reference to the Bank's Diversity Policy, in particular the requirement to short-list at least one female candidate for board positions wherever reasonably possible.
- 3.4 When considering whether to support an incumbent director's nomination for election or re-election, the Board will consider the director's performance (taking into account the factors in section 4.8 below) and the skills, experience, expertise and diversity that the director brings to the Board.

#### **4. Review of performance**

- 4.1 The Board meets periodically for the purpose of reviewing and evaluating the performance of the Board as a whole, in meeting its key responsibilities and achieving its objectives.
- 4.2 As part of this review, the performance of the Board as a whole, each Director and the Chairman is assessed annually, and an independent external facilitator is used periodically to assist in this process. The facilitator seeks input from each Director and certain members of senior management when carrying out the assessment.
- 4.3 The Chairman meets at least once a year one-on-one with each Director for discussion on Board performance and individual Director performance, to allow each Director to raise all issues considered to be relevant to the review and evaluation. To assist with maximising the effectiveness of such discussions, the Chairman is provided with objective information about each Director (such as number of meetings attended by the Director during the past year, Committee memberships, other current directorships), and the results of the externally facilitated assessment, if one has occurred during the period under review.
- 4.4 The Chairman meets at least once a year with the Managing Director to discuss management's view of the Board's performance, level of interaction with and support of management. Such matters arise also from time to time during meetings of the Chairman and the Managing Director throughout the year.
- 4.5 In addition to the annual review, Directors may at any time discuss with the Chairman, any issue concerning Board performance.
- 4.6 A review of the performance of the Chairman of the Board is also undertaken on an annual basis, based on feedback obtained from each Director.
- 4.7 All one-on-one discussions are confidential, unless otherwise agreed by the Director concerned.
- 4.8 The evaluation of director performance will have regard to factors such as:

- (a) expectations of Directors as noted in section 2.3 of this Policy; and
  - (b) the expectation that the Directors and the Board as a whole will perform their duties:
    - a. in the interests of shareholders and other stakeholders;
    - b. in a manner consistent with the Bank's core values of passion, achievement, courage, integrity and teamwork; and
    - c. in accordance with the duties and obligations imposed by applicable laws.
- 4.9 Directors are encouraged to maintain and improve their knowledge, skills and expertise through briefings, seminars and ongoing training programs.

## **5 Composition of Board and Committees**

- 5.1 The Board determines the criteria for Board membership and reviews the composition of the Board in accordance with the Board Charter.
- 5.2 The Board seeks to ensure that there is an appropriate range of skills and expertise on each Committee, reflecting the type and scope of work each Committee is to undertake. The Board has charged the Nomination Committee with the responsibility to make recommendations to the Board on its composition and succession plans, to address matters including ensuring that the Board remains open to new ideas and independent thinking while retaining adequate expertise.
- 5.3 The Board also gives consideration to whether Directors have served on the Board for a period which could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the company.

## **6 Use of external consultants**

- 6.1 The Board may engage external consultants to:
- (a) evaluate its performance in accordance with this Policy; or
  - (b) implement recommendations made by the Board as a result of any evaluation.

## **7. Review of policy**

- 7.1 The Board reviews this policy at least annually.