



Remuneration Committee Charter

1. Committee

The Board of each of Bank of Queensland Limited (“the Bank”) and its subsidiaries St Andrew’s Insurance (Australia) Pty Ltd and St Andrew’s Life Insurance Pty Ltd (“St Andrew’s Companies”) has appointed a Remuneration Committee, being a committee of the Board of Directors of each company. This Charter has been adopted as the Charter for each committee.

Unless otherwise indicated, in this Charter a reference to the Company means the Bank and/or the St Andrew’s Companies, and a reference to the Board or Committee means the Board or Committee of the Bank and/or the Board or Committee of the St Andrew’s Companies.

2. Objectives

The Committee makes recommendations to the Board regarding remuneration for groups of employees who, either individually or collectively:

- a. may materially impact the Company’s performance against its strategic and financial objectives; and
- b. receive remuneration which if inappropriately structured and delivered has the potential negatively to impact acceptable risk.

The Committee’s objectives include:

- assisting the Board of Directors to discharge its responsibilities to exercise due care, diligence and skill in relation to:
 - the Company’s public reporting of financial information on remuneration matters;
 - application of current human resources practices;
 - remuneration policies, fees and other entitlements for Directors; and
 - the Company’s Remuneration Policy for senior executives and other Company staff as required by APRA Prudential Standard APS 510, GPS 510 and LPS 510 (“the Standards”);
- providing a formal forum for communication between the Board and management on human resource issues;
- improving the efficiency of the Board by enabling delegation of appropriate tasks to the Committee where such tasks should be discussed in sufficient depth.

3. Responsibilities

The Committee has the following responsibilities:

- Conducting regular reviews of the Company's Remuneration Policy, and making recommendations to the Board regarding any changes that may be necessary to ensure that Remuneration Policy continues to meet the Company's objectives and comply with the Standards;
- Making annual recommendations to the Board on the individual remuneration arrangements of responsible persons, as defined by the Standards. This group is limited to positions that have executive or management responsibility at the Company and excludes responsible auditors, actuaries and non-executive directors. Responsible persons are listed below:
 - Managing Director;
 - Chief Operating Officer;
 - Chief Financial Officer;
 - GE Banking;
 - GE Insurance;
 - Chief Risk Officer;
 - Head of People Services;
 - GE IT & Operations;
 - General Counsel;
 - Company Secretary;
 - Head of Treasury / Treasurer;
 - GM Credit;
 - GM Risk;
 - Head of Compliance & Financial Crimes;
 - Head of Audit; and
 - Financial Controller.
- Reviewing and making recommendations to the Board on:
 - remuneration, recruitment, retention and termination policies and procedures for senior executives; and
 - remuneration by gender.
- In respect of non-executive director (NED) remuneration:
 - Ensuring that the structure of remuneration for NEDs is clearly distinguished from that for executives;
 - Considering and approving:
 - NED remuneration (including termination and retirement benefits) that is consistent with applicable law, corporate governance principles and competitive practice;
 - Remuneration levels for the Chairman of the Board; and
 - Where appropriate, seeking:
 - independent external advice to mitigate any potential conflict of interest; and
 - Shareholder approval.
- Making annual recommendations to the Board on the remuneration principles for all employees in the following Company functions (known for the purposes of the remuneration policy as "Risk control functions"):
 - Group Risk;
 - Credit;
 - Finance; and
 - Legal.

The recommendations will be made on a group basis for employees in the above-listed functions rather than on an individual basis.

- Reviewing and making recommendations to the Board on the remuneration of any other employees or groups of employees specified by APRA.
- Overseeing preparations of all required disclosure as required under section 300A of the Corporations Act 2001.

Responsibilities specific to the Committee of the Bank

- Making annual recommendations to the Board on the remuneration principles for all employees in the Banking and Treasury functions. These recommendations will be made in respect of groups of employees rather than individuals.
- Reviewing the elements of remuneration policy that apply to owners and employees of Bank franchises (Owner Managers and employees of Owner Managed Branches).
- Making annual recommendations to the Board in exceptional cases where incentive awards exceed the caps outlined in Remuneration Policy or where incentive awards are to be paid when threshold financial performance has not been met.
- Making recommendations to the Board as necessary regarding incentive awards for employees found not to have complied with the Bank's risk and compliance standards, including forfeiture events under the Bank's Award Rights plan.
- Making annual recommendations to the Board concerning share-based grants made under the Bank's Award Rights plan.
- Determining and recommending to the Board the threshold, target and maximum financial performance hurdles which apply under the Bank's incentive plans.
- Reviewing and reporting on the relative proportion of women and men in the workforce at all levels of the economic group controlled by the Bank.

4. Committee Membership

The Committee comprises a minimum of three independent, non-executive members of the Board of Directors. The Chairman of the Committee is an independent non-executive director.

The Chairman of the Board of Directors may not be the Chairman of the Committee. The Company Secretary will be the Committee Secretary.

Committee members are given the opportunity to attend technical or professional development courses to assist in their keeping up to date with relevant issues and practices.

New Committee members are provided with a copy of the Committee's Charter and other relevant information about the Company.

5. Meetings

The Committee meets at least four times per annum and more frequently as required.

The Chairman of the Committee may call a meeting of the Committee at any time, or if so requested by any member of the Committee.

A quorum will consist of two non-executive directors.

The Committee Secretary, in conjunction with the Chairman, shall draw up an agenda for meetings, which shall be circulated to each member of the Committee and attendees at least two working days prior to each meeting.

The Committee Secretary will prepare the Minutes of the Committee meetings.

6. Authority

The Committee may seek input from senior executives on remuneration policies, but no senior executive will be directly involved in deciding their own remuneration.

The Committee may, if it deems appropriate, hold private meetings with advisers, the Head of People Services or such other management personnel as the Committee may require.

The Committee has authority to engage advisers independently of management, and acknowledges that it must do so when considering the Company's Remuneration Policy (as required by the Standards).

The Committee shall:

- have free and unfettered access to risk and financial control personnel, responsible persons and other parties (internal and external) in carrying out its duties; and
- if choosing to engage third-party experts, have power to do so in a manner that ensures that the engagement, including any advice received, is independent.

7. Annual Review

The Committee shall review this Charter annually.

The Committee shall also review the Company's Remuneration Policy annually.

8. Publication

A copy of this Charter is available at:

http://www.boq.com.au/aboutus_corporate_governance.htm.