



Remuneration Committee Charter

1. Objectives

The Remuneration Committee (“the Committee”) is a committee of the Board of Directors (“the Board”) of Bank of Queensland Limited (“BoQ”, “the Bank”). The Committee makes recommendations to the Board regarding remuneration for groups of employees who, either individually or collectively:

- a. may materially impact the Bank’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 Bank’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 Bank’s Remuneration Policy for senior executives and other Bank staff as required by APRA Prudential Standard APS 510 (“the Standard”);
- 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.

2. Responsibilities

The Committee has the following responsibilities:

- Conducting regular reviews of the Bank’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 Bank’s objectives and comply with the APS510 prudential standard;

- Making annual recommendations to the Board on the individual remuneration arrangements of responsible persons, as defined by the APS510 prudential standard. This group is limited to positions that have executive or management responsibility at the Bank and excludes responsible auditors and non-executive directors. Responsible persons are listed below:
 - Managing Director;
 - Chief Operating Officer;
 - Chief Financial Officer;
 - GE Banking;
 - 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.

- Making annual recommendations to the Board on an aggregate basis (not by individual) on remuneration arrangements for all employees in the following Bank functions (known for the purposes of remuneration policy as “Risk control functions”):
 - Group Risk;
 - Credit;
 - Finance; and
 - Legal.

- Making annual recommendations to the Board on an aggregate basis (not by individual) on remuneration arrangements for all employees in the Banking and Treasury functions.

- Reviewing the elements of remuneration policy that apply to owners and employees of Bank franchises (Owner Managers and employees of Owner Managed Branches).

- Reviewing and making recommendations to the Board on the remuneration of any other employees or groups of employees specified by APRA.

- 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.
- Overseeing preparations of all required disclosure as required under section 300A of the Corporations Act 2001.

3. 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 Bank.

4. 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.

5. Authority

The Committee may, if it deems appropriate, hold private meetings with advisers, the Head of Human Resources 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 Bank's Remuneration Policy (as required by the APS510 prudential standard).

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.

6. Annual Review

The Committee shall review this Charter annually.

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

7. Publication

A copy of this Charter is available at:

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