

Bank of Queensland Board Charter

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1. Introduction

- 1.1 The directors of Bank of Queensland Limited ('the Bank') are committed to excellence in corporate governance and support the Principles of Good Corporate Governance and Best Practice Recommendations ('Principles') developed by the ASX Corporate Governance Council as the basis for enhancing the credibility and transparency of our capital markets.
- 1.2 Consistent with the Bank's values of integrity, teamwork, achievement, passion and courage, and the Board has, over many years, developed and implemented a series of policies and practices which are consistent with the Principles.
- 1.3 This Charter sets out the key governance principles adopted by the Board in governing the Bank. In adhering to the responsibilities and powers as set out in this Charter, the Board members are expected to perform their duties with integrity, honesty and in a professional manner in accordance with the law. In striving to achieve the objectives, the Bank endeavours to be a bank that looks after its staff, values and services customers, rewards its shareholders and partners with the community.

2. Responsibilities of the Board

- 2.1 The Board guides and monitors the business and affairs of the Bank to ensure the interests of shareholders are protected. In particular, the Board is responsible for:
- (a) the overall Corporate Governance of the Bank, including:
 - overseeing regulatory compliance;
 - ensuring that the Bank observes appropriate ethical standards; and
 - the achievement of the Bank's values;
 - (b) charting the overall strategy and direction of the Bank, including setting, monitoring and reviewing strategic, financial and operational plans for the Bank; and
 - (c) the appointment of the Managing Director, including the delegation of powers to the Managing Director within authorised discretionary levels.
- 2.2 In order to fulfill these responsibilities, the Board reserves to itself the following powers:
- (a) reviewing the Bank's strategic plan at least annually;
 - (b) approving annual budgets;
 - (c) reviewing financial results;
 - (d) to deal with all matters which are outside discretions conferred on the Managing Director;
 - (e) ensuring that areas of significant business risk are identified and effectively managed;

- (f) the determination of the terms and conditions of appointment of the Managing Director, including the right to suspend, remove or dismiss the Managing Director from executive office;
- (g) setting targets for and assessing the performance of the Managing Director;
- (h) establishing Board Committees;
- (i) to act within the overall policies established by the Board from time to time.

2.3 The responsibilities listed in clause 2.1 are expressly reserved to the Board. Other powers which are delegated to management include the following:

- (a) being responsible for day to day management of the Bank within the overall strategies and frameworks approved by the Board;
- (b) being responsible for the following activities of the Bank:
 - (i) developing strategy for approval by the Board;
 - (ii) financial and capital management and reporting;
 - (iii) operations;
 - (iv) information technology;
 - (v) marketing the current business of the Bank and acquiring new business;
 - (vi) customer relationship service;
 - (vii) developing and maintaining key external relationships, including with investors, media, analysts and industry participants;
 - (viii) human resources, people development, performance and the creation of a safe and enjoyable workplace; and
 - (ix) credit;
- (c) reporting to the Board on the performance of the Bank and its management;
- (d) otherwise performing such duties as are from time to time delegated by the Board.

2.4 The Board will, from time to time, undertake a review of their responsibilities and those of management to ensure that they remain appropriate for the needs of the Bank.

3. Board composition

3.1 The composition of the Board is determined in accordance with the following established guidelines:

- (a) the Board determines the criteria for Board membership and reviews the composition of the Board, nomination of all directors and terms and conditions of appointment to the Board, taking into account the recommendations of the Remuneration and Nomination Committee;

- (b) the Bank's Constitution provides:
 - (i) for the number of directors to be no more than eight;
 - (ii) that one-third of the Bank's non-executive directors (except the Managing Director) are required to retire by rotation at each AGM, with each director being eligible for re-election;
- (c) the Bank's Constitution also governs the appointment and removal of the Bank's Managing Director and its non-executive directors.

4. Independence

- 4.1 No matter what definition of 'independence' is adopted, all directors of the Bank must act independently and bring an independent mind to bear on matters coming before the Board.
- 4.2 The Principles require the Bank to assess and disclose the 'independence' of its Board. The Board appreciates that it is important for the integrity of our capital markets that Boards are not only independent but can be seen to be independent and so supports this initiative.
- 4.3 The Board has considered the question of what criteria must be satisfied in order for a director to be regarded as 'independent' for the purposes of the Principles and has determined a policy on independence.
- 4.4 The Board will regularly assess whether each director can continue to be regarded as 'independent' under that policy.
- 4.5 It is the policy of the Bank that the Chairman and a majority of the Board be independent directors.
- 4.6 Every director or Committee of the Board has the right to seek independent professional advice in connection with carrying out their duties and at the Bank's expense. Prior written approval of the Chairman is required.

5. Directors and Board Meetings

- 5.1 The Bank's non-executive directors meet at least 10 times per year and otherwise as required with the Bank's Managing Director and Company Secretary and other members of management as appropriate.
- 5.2 Every director is entitled to a notice of meeting of directors to be given by delivery, post or fax.
- 5.3 The quorum for any Board meeting of directors is 3 directors who at any given time are able to vote on the particular matter before the meeting at that time.

6. Committees

- 6.1 The Board has established the following committees:
 - (a) an Audit and Risk Committee;
 - (b) a Remuneration and Nomination Committee;

- (c) a Budget Review Committee;
- (d) an Investment Committee; and
- (e) a Corporate Governance Committee,

to assist in the execution of its responsibilities.

6.2 A separate Charter has been prepared for each Committee.

6.3 It is a policy of the Bank that the Chairman and a majority of the directors on each Committee be independent directors.