

## NOTICE OF SPECIAL GENERAL MEETING

A Special General Meeting of Bank of Queensland Limited (**Bank**) will be held at The River Room, Stamford Plaza, Cnr Edward and Margaret Streets, Brisbane on Monday, 1 August 2005 at 9.30am.

### AGENDA

#### Variation of the rights attaching to RePS (BOQ Reset Preference Shares)

To consider and, if thought fit, pass the following resolution as a special resolution:

"That, subject to the amendment being approved by a special resolution of the holders of Bank of Queensland non-cumulative Reset Preference Shares (**RePS**):

- (a) clause 3.1.3 of the terms of issue of the RePS be amended to provide as follows:

"3.1.3 For the purpose of clause 3.1.1, the Dividend Rate is the rate per annum determined by the Issuer being not greater than the rate as calculated in accordance with the formula set out below:

$$\text{Dividend Rate} = \frac{S + 2.1157\% \text{ per annum}}{1.1714}$$

where S is the Swap Rate prevailing on the Allotment Date or Dividend Reset Date (as applicable) for the relevant Term."

- (b) amending the definition of 'CR' in clause 4.9(b) of the Terms of Issue of the RePS to provide as follows:

'CR means:

- (i) if conversion is made under clause 4.4 (**Holder Conversion**), other than in respect of the 2005 Holder Conversion an amount calculated by dividing F by RP; or
- (ii) in all other circumstances (**Issuer Conversion, Holder Event Conversion, 2005 Holder Conversion, Issuer Even Conversion**), an amount calculated by dividing FV by CRP,

subject in both cases to CR being no less than the Conversion Minimum;'

- (c) amending clause 4.9(b) of the Terms of Issue of the RePS by inserting a new definition of '2005 Holder Conversion' as follows:

'2005 Holder Conversion' means a conversion made under clause 4.4 preceding the Dividend Reset Date occurring on 15 October 2005.'

- (d) Schedule 5 of the terms of issue of the RePS be replaced with the attached Schedule 5."

### PROXIES:

1. A member who is entitled to vote at the meeting may appoint:
- (a) one proxy if the member is only entitled to one vote; or
- (b) one or two proxies if the member is entitled to more than one vote.

2. Where the member 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 member of the Bank.
4. If you require an additional proxy form, the Bank's share registry will supply it on request.
5. If a member appoints the Chairman of the meeting as the member's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that member, in favour of that item on a poll.
6. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Bank at the Bank's share registry no later than 9.30 am on 30 July 2005:

(a) by post to:

Computershare Investor Services Pty  
Limited  
GPO Box 523  
BRISBANE QLD 4000  
(reply paid envelope provided); or

(b) by delivery to:

Computershare Investor Services Pty  
Limited  
Level 27 Central Plaza One  
345 Queen Street  
BRISBANE QLD; or

(c) by fax on (07) 3237 2152.

### VOTING RIGHTS

1. All of the shares that are quoted shares at 5.00pm on Friday, 29 July 2005 will be taken, for the purposes of the Special General Meeting, to be held by the persons who held them at that time.
2. The holders of RePS will be entitled to vote at the Special General Meeting and each RePS will confer on the holder the same right to vote as does one Ordinary Share.

### SPECIAL RESOLUTION

The resolution being proposed at the Special General Meeting must be passed by way of a special resolution which requires it to be passed by not less than 75% of the votes cast by shareholders entitled to vote on the resolution.

DATED 30 June 2005  
BY ORDER OF THE BOARD

Brad Edwards  
Secretary

**SCHEDULE 5**

**Dividend Reset Notice**

**Bank of Queensland Limited**

**(ACN 009 656 740, ABN 31 009 656 740)**

**ISSUE OF NON-CUMULATIVE RESET PREFERENCE SHARES**

**DIVIDEND RESET NOTICE**

To: *[Name and address of holder(s)]*

The Issuer hereby gives notice, pursuant to and in accordance with clause 3.8 of the terms of the issue of non-cumulative RePS in the Issuer, that:

- The Dividend Rate applying from *[insert coming Dividend Reset Date]* until the next Dividend Reset Date will be [ ]% per annum; and
- The next Dividend Reset Date will be *[date]*.

**[THE COMMON SEAL of Bank of Queensland Limited** was hereunto affixed in accordance with its Constitution: )

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.....  
Secretary / Director  
Name (printed):

.....  
Director  
Name (printed):

Dated: [ ]

or

**[EXECUTED by Bank of Queensland Limited** by authority of its directors:

.....  
Secretary / Director  
Name (printed):

.....  
Director  
Name (printed):

Dated: [ ]

## EXPLANATORY STATEMENT

This Explanatory Statement is provided to shareholders to inform them about the business of the meetings and the resolution proposed in the accompanying Notice of Meeting. The information is also provided under the requirements of the Australian Stock Exchange Limited (ASX) Listing Rules and the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Bank has 583,488 non-cumulative Reset Preference Shares (**RePS**) on issue. The RePS were first issued in October 2000.

RePS are entitled to a non-cumulative dividend at a rate determined in accordance with the terms of issue of the RePS. From the initial date of issue of the RePS until the first Dividend Reset Date and between subsequent Dividend Reset Dates, the dividend rate is fixed. On each Dividend Reset Date the dividend rate changes in accordance with a formula set out in clause 3.1.3 of the terms of the RePS.

The Bank must notify holders of RePS no later than 30 Business Days prior to each Dividend Reset Date of the dividend rate applying after the Dividend Reset Date.

At any time before and including the 30th Business Day prior to a Dividend Reset Date, the Bank may elect to convert the RePS to Ordinary Shares in the Bank by notice to the RePS holders. Such a conversion takes place at a 2.5% discount to the applicable average price of the Ordinary Shares in the Bank. At any time between the 29th and 21st Business Days prior to a Dividend Reset Date a holder of RePS can elect to convert their RePS into Ordinary Shares in the Bank. No discount is applicable to such a conversion.

The first Dividend Reset Date is due on 15 October 2005. Notification of the dividend rate applying after 15 October 2005 must be given no later than 5 September 2005. It is expected that the application of the formula set out in clause 3.1.3 of the original terms of issue of the RePS will result in a dividend rate being payable with respect to the RePS after 15 October 2005 which is out of step with the market and therefore uncommercial to the Bank. The current view of the Bank is that this will force it to elect to convert the RePS into Ordinary Shares on the Dividend Reset Date.

In order to allow the holders of RePS an opportunity to retain their RePS rather than having them converted, the Bank is proposing to vary the issue terms of the RePS so that the dividend rate applicable from a Dividend Reset Date will be determined by the Bank with the existing formula serving as a maximum dividend rate that may be selected.

The notification and conversion arrangements will otherwise remain the same except that the conversion

discount will apply to a conversion initiated by a RePS holder upon being advised of the relevant dividend rate which will apply from the 15 October 2005 Dividend Reset Date.

Accordingly if any holder of RePS believes that the rate set by the Bank is unacceptable, they will retain the ability to convert their RePS into ordinary shares in the Bank following receipt of notification of the relevant rate and be in no worse position than if the variation to the original issue terms of the RePS had not occurred and the conversion had been initiated by the Bank.

Because this change will involve a variation of the class rights of the holders of RePS, the relevant change will require the approval of both a special resolution of the members of the Bank (including the holders of RePS) and a special resolution at a meeting of the holders of the RePS. If the special resolution is not passed at the Special General Meeting of the Bank (to be held immediately prior to the Special General Meeting of the holders of the RePS), the resolution will not be put to the Special General Meeting of the holders of the RePS.

At the Special General Meeting of the Bank, each RePS will confer on the holder the same right to vote as is conferred on a holder of one Ordinary Share.

### Shareholder approval as a special resolution

The resolution to modify the terms of issue of the RePS must be passed by way of special resolution at each meeting, which requires it to be passed in each case by not less than 75% of the votes cast by shareholders entitled to vote on the resolution.

### Effective date for variations

If the proposed variation is passed as a special resolution by both meetings (but not unanimously by the holders of the RePS), then holders of RePS with the right to exercise at least 10% of the votes able to be exercised by all the holders of RePS, may apply to the court for the proposed amendment to be set aside under Section 246D of the *Corporations Act 2001* (Cth). As a result the proposed amendment will only take effect:

- (a) if no such application is made to the court, one month after the two resolutions are passed; and
- (b) if such an application is made to the court, when the application is withdrawn or finally determined and the proposed change is confirmed.

### Recommendation

Each of the Directors recommends that you vote in favour of the resolution. No Director has an interest in the outcome of the resolution other than as a holder of Ordinary Shares in the Bank.