

Financial Services Guide Owner Managers

Personal Solutions

8 September 2017

This Financial Services Guide (FSG) is an important document.

- It is designed to assist you in deciding whether to use any of the services we offer.
- It contains information about how we and our staff and other representatives are paid in relation to the services we offer.
- It contains information on how complaints against us are dealt with.

You should read this document carefully and make sure you understand it. If there is anything in this FSG that you do not understand, please contact your branch manager.

You may also receive a Product Disclosure Statement (PDS) from us. Generally we must give you a PDS if we are offering, or recommending that you acquire, a financial product. The PDS contains information that helps you make an informed decision about that product, such as details of the features, costs, risks and benefits of the product.

Who are we?

Bank of Queensland Limited's (the Bank) products and services are distributed through a network of agents, known as Owner Managers. This branch is an Owner Managed Branch. The person who gave you this FSG is an employee of the Owner Manager who has been authorised by the Bank to provide the services to which this FSG relates.

What financial services do we provide?

We are authorised by the Bank to provide the following financial services:

- deal in financial products; and
- provide advice (general and personal).

We are authorised by the Bank to deal in, and provide advice in relation to, the following types of products:

- transaction accounts;
- savings and investment accounts;
- travellers' cheques;
- funds transfers and electronic payment products such as non-cash payment products;
- general insurance;
- consumer credit insurance;
- credit card protection insurance.

The Bank is authorised under its Australian Financial Services Licence to deal in, and provide advice in relation to, these types of products.

Who do we act for?

We provide the services referred to in this FSG as an authorised representative of the Bank.

The products that we provide services on are issued by the Bank or other third parties. When we provide services on these products we do so as an authorised representative of the Bank. The Bank may act as a distributor or agent on behalf of other product issuers, including issuers of insurance, traveler's cheques and cash passport debit cards. The third party products and the issuers of these products are listed in the table below. We have no direct relationship with any third party issuers, other than the Bank. All other products that we provide services on are issued by the Bank.

Some of the third party products offered by the Bank are issued by companies related to the Bank. For instance, St Andrew's Insurance (Australia) Pty Ltd and St Andrew's Life Insurance Pty Ltd are wholly owned subsidiaries of the Bank.

The table below sets out the non-Bank products that this FSG relates to, and the issuers of those products.

Third party product	Issuer of Product
General insurance	AAI Limited trading as Vero Insurance
Consumer credit insurance	St Andrew's Insurance (Australia) Pty Ltd St Andrew's Life Insurance Pty Ltd
Credit card protection insurance	MetLife Insurance Limited
Travellers' cheques	American Express Travel Related Services Company Inc. for American Express branded travellers' cheques
Cash Passport Debit Card	Access Prepaid Australia Pty Ltd as distributor for the issuer, Heritage Building Society Limited.

If you would like to know more information about the issuer of a product and who we (or the Bank) acts for when you are offered a product, please refer to the Product Disclosure Statement or any other disclosure document you receive.

How does the Owner Manager get paid?

We receive commission from the Bank for sales of products set out in this FSG. The table below is a summary of the range of commissions that we may receive:

Product/Service	Commission Formula/Range	How is commission paid
Transaction, saving and investment accounts	<p>Average daily balance of all accounts domiciled at our branch x the difference between the Bank's cost of funding and the average interest rate paid x between 12% and 26% x days in month/365.</p> <p>For example, a customer deposits \$100,000 with us on 15 April 2012 in a Transaction Account earning 1% interest. At the end of the month the average daily balance will be \$50,000 (i.e. 15/30 x \$100,000).</p> <p>Assuming that the difference between the Bank's cost of funding* and the average interest rate paid ** is 3.82% and our commission is 19%***then the calculation of the monthly commission payable to us is as follows:</p> <p>$[\\$50,000 \times 3.82\% \times 19\% \times 30 \text{ (i.e. no. of days in month)}] / 365 = \\$29.83.$</p> <p>* The Bank's cost of funding will vary depending on current market interest rates and the Bank's marginal cost of funds.</p> <p>** The average interest rate paid will vary depending on the interest rate applicable to the Transaction Account from time to time.</p> <p>*** The worked example uses the commission rate of 19% (the median between 12% and 26%).</p>	Commissions are paid to us monthly.

Product/Service	Commission Formula/Range	How is commission paid
Fees associated with transactions or services performed in relation to transaction, saving and investment accounts, funds transfer and electronic payment methods	In respect of some fees, 0% to 50% of the fee collected where the transaction or service is performed at our branch. In respect of other fees, 0% to 50% of the fee collected where the customer's account is domiciled at our branch.	Commissions are paid to us monthly.
General insurance	30 to 50% of the commission received by the Bank.	Commissions are paid to us monthly.
Consumer credit insurance	30 to 50% of the commission received by the Bank.	Commissions are paid to us monthly.
Travellers' cheques	20% of the fee charged by the Bank.	Commissions are paid to us monthly.
<p>Foreign Exchange Transactions including:</p> <ul style="list-style-type: none"> • Outward Telegraphic Transfers initiated in the Owner Managed Branch. • Foreign Exchange Conversions* transacted directly with the Bank's Treasury Department by Direct Dealing Customers** domiciled at an Owner Managed Branch. <p>Foreign Exchange Transactions that are excluded include:</p> <ul style="list-style-type: none"> • Travel money i.e., foreign cash, cash passport cards, travellers' cheque sales • Negotiation of foreign cheques • Inward Telegraphic Transfers for non-Direct Dealing Customers** • Outward Telegraphic Transfers initiated in the Owner Managed branch <p>* Conversions include inward and outward Telegraphic Transactions, outward drafts, conversions in and out of foreign currency accounts</p> <p>** Direct Dealing Customer means a customer who has set up direct dealing arrangements with the Bank's Treasury Department including a Dealing Authority. The Bank's Treasury Department will maintain sole discretion as to whether a customer fits this definition.</p>	<p>20% of Bank Retail Foreign Exchange Margin Income*.</p> <p>*Bank Retail Foreign Exchange Margin means the difference between the exchange rate the customer transacts at and the transfer price provided by the Bank's Treasury pricing desk.</p>	Commissions are paid to us monthly.

How do the Owner Manager’s staff get paid?

We pay our staff a salary. We may also offer monetary or non-monetary incentives to our staff and other representatives for achieving performance targets. These targets relate to business initiatives aimed at attracting and retaining customers or providing banking products and services. These benefits are not linked to individual transactions or customers. The value of these incentives will not exceed \$5,000 per staff member for each business initiative. These incentives are discretionary, and are based on achievement of individual Key Performance Indicators (KPIs).

KPIs may include:

- customer service orientation;
- coaching;
- teamwork;
- sales ability;
- initiative;
- compliance.

Staff and other representatives are required to recommend to our customers the most suitable Bank products and services to meet their stated needs.

You may request more information about these payments but the request must be made within a reasonable time after you are given this FSG and before any services described in this FSG are provided to you.

How does the Bank get paid?

The Bank may charge fees for the products and services that we provide to you. Details of the fees that relate to a product are set out in the PDS for that product.

The Bank also receives commission on sales of products issued by third parties. The commission rates are set out below:

Third Party Products	Commission	How the commission is paid
General insurance products	<p>In respect of general insurance products, the Bank will receive a commission of between 0% to 26% of the total annual premium payable excluding stamp duty, fire service levy (if applicable) and GST, for each general insurance policy issued or renewed.</p> <p>We may also receive additional payments from AAI Limited trading as Vero Insurance if the business it writes on behalf of AAI Limited trading as Vero Insurance achieves a certain level of growth and/or profitability. The Bank’s eligibility for a profit share is calculated and if appropriate paid, on an annual basis and does into involve any extra costs to you.</p> <p>We also receive an alliance fee of up to \$150,000 per annum from AAI Limited trading as Vero insurance to cover the costs of providing and maintaining infrastructure to meet our obligations in respect of the distribution of general insurance products.</p>	Commission is paid each month on policies issued in the previous month.

<p>Consumer credit insurance products</p>	<p>The Bank receives commission of 20% of your GWP*.</p> <p>For example, if you take out consumer credit insurance with a GWP of \$1,000 the Bank will receive a commission of \$200. If you pay your premium by monthly direct debit the Bank will receive a commission of 20% of your monthly GWP.</p>	<p>Commission is paid each month on policies issued in the previous month.</p>
<p>Credit card protection insurance</p>	<p>The Bank receives commission of 20% of your GWP*.</p> <p>For example, if you take out Card Assure credit card protection insurance on your Bank of Queensland Credit Card and your monthly closing balance for the relevant month is \$1,500.00, the GWP for that month is \$10.35 and the Bank will receive a commission of \$2.07 for that month.</p>	<p>Commission is paid each month based on the closing balance for Bank of Queensland Credit Cards for the previous month.</p>
<p>Cash Passport Debit Card</p>	<p>We receive commission as follows:</p> <ol style="list-style-type: none"> 1. an amount of 0.5% of the purchase amount of a cash passport debit card issued; 2. an amount of 0.5% of the additional purchase amount (or reload); 3. an amount of 1.00% of the additional purchase amount (or reload), where reloaded via BPay. <p>The Bank is also entitled to receive a percentage of the foreign exchange revenue earned by Access Pty Ltd on the transaction where the cash passport relates to a currency other than Australian dollars.</p> <p>You may request more information about these payments but the request must be made within a reasonable time after you are given this FSG and before any services described in this FSG is provided to you.</p>	<p>Commission is paid each month based on the transactions effected in the previous month.</p>

* Gross Written Premium (GWP) means your initial or ongoing insurance premium less any government tax or charge including stamp duty and GST.

The Bank may also have arrangements with other companies in the Bank of Queensland group for services to be provided in relation to the financial services to which this FSG relates. We may pay these companies contracted payments under the terms of our arrangement. These payments are not linked to individual transactions or customers.

How you can provide us with instructions

You can contact us by using the contact details set out in this document. Instructions can be provided to us in person at our branch or at any other Bank of Queensland branch. In some cases, instructions may also be provided to us or the Bank by telephone or through the Bank's Internet Banking Service. However, some of the Bank's products and services

have their own rules around how you are to provide instructions. You should refer to the Product Disclosure Statement for the relevant product for these details.

If you have a problem or dispute

(a) Our Service Commitment

Bank of Queensland is committed to providing its customers with innovative banking solutions and the best customer service experience.

Resolution of problems is a priority to the Bank and us. If at any time our service does not meet your expectations we would like you to let us know.

(b) How to contact us

There are a number of ways to contact us:

- Contact your local branch manager. Our managers are always willing to listen to your suggestions about our products and services and they will do their best to address any concerns immediately.
- Our Customer Contact Centre can be contacted on 1300 55 72 72 from 7.00 a.m. to 7.00 p.m. (AEST), Monday to Saturday.
- Contact our Customer Relations Department via:

E-mail: customer.relations@boq.com.au

Telephone: 1800 663 080 Fax: (07) 3067 9315

Mail: Customer Relations
Reply Paid 2258
Brisbane QLD 4001

(c) How will your complaint be handled?

If we cannot solve your problem on the spot, we will let you know within 48 hours who is handling your complaint and how long it is likely to take for it to be resolved. The Bank aims to resolve all complaints within 5 working days. If this is not possible it will keep you informed on its progress.

Please note the Bank complies with the ePayments Code complaint investigation and resolution procedures in connection with electronic transactions to which the Code applies.

If your complaint cannot be resolved promptly, Bank of Queensland Customer Relations Department will take responsibility and work with you to resolve the matter.

(d) What to do if you feel your complaint has not been resolved

If you remain dissatisfied with the outcome and you would like an independent review of the complaint and the result, you can refer your complaint to:

Financial Ombudsman Service Australia
GPO Box 3
Melbourne VIC 3001

Telephone: 1800 367 287

Fax: (03) 9613 6399

Internet: www.fos.org.au

The Australian Securities and Investments Commission (ASIC) has an information line: 1300 300 630. You can use this number to make a complaint and obtain further information about your rights.

For further information on solving problems and disputes please ask at any branch for the Bank's "We would like to know" brochure.

(e) Professional Indemnity Insurance

We are an authorised representative of the Bank. The Bank is regulated by the Australian Prudential Regulation Authority and is exempt from the compensation requirements in the Corporation Regulations. Notwithstanding the exemption, the Bank holds professional indemnity insurance cover. The insurance covers work done for the Bank by our representatives (including our employees) after they cease to work for us.

How can you contact us?

You can contact us by calling or writing to us, or by visiting us. Our contact details are set out below of this FSG. You can contact the Bank directly by:

- calling the Customer Contact Centre on 1300 55 72 72;
- visiting the Bank's website at www.boq.com.au;
- e-mailing the Bank via the 'contact us' page on its website;
- writing to the Bank at GPO Box 898, Brisbane QLD 4001; or
- visiting your local branch.

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