

# **Auditor Independence Policy**

Bank of Queensland

<b>Approver</b>	Board
<b>Policy Owner</b>	Chief Financial Officer
<b>Functional Owner</b>	General Manager, Financial Reporting & Control
<b>Policy Level</b>	1b
<b>Audience (if restricted)</b>	Not restricted
<b>Mandatory Stakeholders</b>	N/A
<b>Review Frequency</b>	Annual

Revision History			
Version	Approval Date	Author	Description
4.0	March 2016	Graham Hayworth	Content revision on clarification of roles and responsibilities and minor drafting amendments
5.0	February 2017	Group Finance	Annual review
6.0	February 2018	Group Finance	Clarification of audit services on the approved list
7.0	March 2019	Group Finance	Annual review and clarification of audit services
8.0	December 2020	Group Finance	Annual review
9.0	December 2021	Group Finance	Annual review and removal of references to St Andrews and insurance business
10.0	December 2022	Group Finance	Change in Functional owner from DCFO to GM, Financial Reporting & Control; Inclusion of SHML Trusts and removal of BOQ Specialist from in scope entities

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## 1 Introduction

### 1.1 Scope

This policy applies to the external auditors of the Bank of Queensland (BOQ and the Bank) Group and all of BOQ's subsidiaries.

### 1.2 Purpose

In respect of auditor independence, BOQ requires its External Auditor to comply with the requirements of:

- *Corporations Act 2001* (Cth);
- APRA Prudential Standard CPS 510 *Governance*; and
- Accounting Ethical Professional Standards Board APES 110 - Code of Ethics for Professional accountants Section 290 *Independence*.

## 2 External Auditor – Key Obligations

- The External Auditor will annually provide a formal declaration of independence that confirms that the External Auditor is independent, both in appearance and in fact, and has no conflict of interest situation, and that there is nothing to the External Auditor's knowledge that could compromise independence.
- The non-audit services undertaken by the External Auditors will not involve them acting in a managerial or decision making capacity, or being involved in the processing or originating of transactions.
- The non-audit services undertaken by the External Auditors are only to be provided where the BOQ Audit Committee is satisfied that the related function or process will not have a material bearing on the planned audit procedures.
- The External Auditor is required to rotate the lead partner and the review partner so that neither role is performed by the same partner for more than five years, or more than five years out of seven successive years.
- Where internal audit services are provided, they will be managed by, and report to, the Group General Counsel and Company Secretary.
- The External Audit partner is required to attend the BOQ Annual General Meeting.
- A mandatory period of at least two years must elapse following resignation from an audit firm before a former employee, partner or equivalent who served in a professional capacity in the audit of the Bank can become a Director or Senior Manager of BOQ. Further, this person cannot be appointed if there is already another person appointed as a Director or Senior Manager who has satisfied these requirements.

## 3 Services provided by the external auditors

### 3.1 Audit Services

For the purposes of this policy, audit services provided by the External Auditors are defined as follows:

- Statutory audit opinions including, but not limited to:
  - The Bank and BOQ Consolidated Group;
  - Securitisation Trusts including REDS, REDS EHP, Warehouse, BOQS, Covered Bond, SMHL; and

- Other reporting entities including BOQ Finance, BOQ Equipment Finance, BQL Management, BOQ Employee Share Plans Trust, and Virgin Money Financial Services.
- Compliance with Australian Financial Services Licences (AFSL) including BOQ, BQL Management, and Virgin Money Financial Services.
- Audits, reviews, assurance and compliance of regulatory matters (APRA):
  - APS 310 *Audit and Related Matters*;
  - APS 910 *Financial Claims Scheme*; and
  - APS 330 *Public Disclosure*.
- Compliance with Part 7 of the *Property, Stock and Business Agents Act* in relation to BOQ maintenance of trust accounts.
- Reviews undertaken for regulatory purposes under direction by regulatory authorities (e.g. APRA Targeted Review)

All other services are considered non-audit services.

## 3.2 Approval of Non-audit services

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Any non-audit service that is not approved by the Audit Committee in the acceptance of the Annual Audit Fee Proposal and not exceeding \$100,000 may be approved by the Managing Director & CEO or the Chief Financial Officer or the Deputy Chief Financial Officer. Any such engagement must then be brought to the attention of the BOQ Audit Committee for noting at its next scheduled meeting.

Where the cost of any service is likely to be greater than \$100,000 and does not appear on the approved list above (Section 3.1), the proposed engagement must be submitted to the Chair of the BOQ Audit Committee for consideration and approval prior to the engagement being accepted by the Bank. Any such engagement must then be brought to the attention of the BOQ Audit Committee for noting at its next scheduled meeting.

For each engagement that is not pre-approved and is not an audit or audit-related service, the Auditor will provide an assessment of the independence threats identified and the safeguards applied to mitigate those threats.

## 3.3 Limit to services that are Not Audit or Audit-related

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Notwithstanding pre-approval in the Annual Audit Fee proposal, the total cost of services that are non-audit services must not exceed 75% of the cost of audit services without the prior approval of the Chair of the BOQ Audit Committee.

### 3.3.1 Prohibited Services

As a guiding principle, the External Auditor will not perform services that are then to be audited by the External Auditor. The External Auditor may not provide the following services to the BOQ Group:

- Bookkeeping or other services, related to the accounting records or financial statements of the BOQ Group;
- Financial information systems design and implementation;
- Appraisal or valuation services, fairness opinions, or contribution-in-kind reports; Management functions or human resources;
- Investment banking, broking, dealing or advisory services;
- Personal tax services to a person who has a financial reporting oversight role; and
- Legal services and expert services unrelated to the audit.

## 4 Governance

The Auditor Independence Policy is subject to annual review and approval by the BOQ Board , in conjunction with the review of the BOQ Audit Committee Charter. The BOQ Audit Committee may recommend to the Board any amendments to this Policy (and the Audit Committee Charter) at any time.

## 5 Schedule of Changes (this version)

Section	Change
3.1	Inclusion of SMHL and removal of BOQ Specialist from in scope entities