



Board Charter

Bank of Queensland Limited

1. Purpose

- 1.1 This Charter sets out the roles, responsibilities, structure and processes of the Board of Bank of Queensland Limited (**BOQ**), and its relationship with management. It also sets out the key governance principles adopted by the Board in governing BOQ and its subsidiaries (**BOQ Group**).

2. Role of the Board

- 2.1 The role of the Board is to:

- (a) demonstrate leadership;
- (b) set BOQ's strategic objectives;
- (c) oversee the management, performance, culture and governance of the BOQ Group; and
- (d) empower, challenge and hold management to account to execute the strategy and deliver the financial and non-financial objectives approved by the Board,

to generate sustainable long term value, considering the interests of all stakeholders (including shareholders, customers, suppliers, employees and communities).

In performing their role, Directors are expected to act consistent with BOQ's purpose and statement of values (**BOQ's Values**), including by acting ethically and with integrity. They are also required to act in accordance with BOQ's Constitution, relevant BOQ policies, and applicable legal and regulatory requirements.

3. Responsibilities of the Board

- 3.1 In addition to the matters required by law to be approved by the Board, the Board has reserved the following matters, and is responsible for:

Strategy

- 3.2 Approving the overall strategy and direction of the BOQ Group, including overseeing management's implementation and performance against strategic, financial and operational plans.
- 3.3 Approving major capital expenditure, acquisitions and divestitures in excess of delegated levels and other major corporate initiatives.

Values, conduct and culture

- 3.4 Setting the tone at the top and providing oversight of BOQ's management of stakeholders, including shareholders, customers and regulators.
- 3.5 Approving and overseeing the embedment of BOQ's Values and Code of Conduct.

- 3.6 Reviewing material breaches of BOQ's Code of Conduct that may be indicative of issues with the culture of BOQ or which relate to a member of BOQ's key management personnel.
- 3.7 Receiving reports on concerns raised under BOQ's whistleblower policy.
- 3.8 Overseeing and receiving reports on BOQ's culture.

Risk management

- 3.9 Overseeing the risk management framework (for both financial and non-financial risk) and overseeing its operation by management.
- 3.10 Where appropriate, challenging management and holding it to account.
- 3.11 Approving BOQ Group's risk appetite strategy and risk management strategy (including the approach to consequence management and managing conduct risk).
- 3.12 Forming a view of BOQ Group's risk culture, and the extent to which that culture supports the BOQ Group's ability to operate consistently within its risk appetite.
- 3.13 Overseeing the identification of, and steps taken to address, any desirable changes to BOQ Group's risk culture.
- 3.14 Overseeing significant business risks and reviewing how they are identified, managed, measured and resourced.
- 3.15 Overseeing the environmental, social and governance impact of the BOQ Group's activities.
- 3.16 Receiving from management material correspondence from regulators and reports on management's interactions with regulators, as well as maintaining open and constructive relationships with regulators.
- 3.17 Making an annual declaration to the Australian Prudential Regulation Authority (**APRA**) in accordance with regulatory requirements.

Financial and capital management

- 3.18 Overseeing the integrity of the BOQ Group's accounting and corporate reporting systems.
- 3.19 Approving BOQ's annual budgets and overseeing financial and operational performance.
- 3.20 Approving BOQ's interim and annual financial reports and related disclosures to ASX.
- 3.21 Reviewing and approving major capital management initiatives, including capital restructures, capital returns, share issues, buy backs, dividend policy and the payment of dividends.
- 3.22 Reviewing and approving the BOQ Group's capital management policies and plans having regard to the various liquidity and capital adequacy regulatory requirements applicable to the BOQ Group.

Auditors

- 3.23 Considering the appointment and removal of BOQ's external auditor for shareholder approval.
- 3.24 Approving the appointment and removal of BOQ's internal auditor.
- 3.25 Reviewing the performance of BOQ's external auditor and internal auditor.

Managing Director & CEO and management

- 3.26 Appointing, determining the terms of appointment of, and, where appropriate, removing the Managing Director & CEO.
- 3.27 Approving the appointment, terms of appointment and, where appropriate, the removal of the senior executives reporting directly to the Managing Director & CEO and any other responsible person of BOQ Group (as defined in Prudential Standard CPS 520 'Fit and Proper') (**Responsible Person**).
- 3.28 Reviewing the performance of the Managing Director & CEO, and overseeing the performance of the senior executives reporting directly to the Managing Director & CEO and any other Responsible Person.
- 3.29 Reviewing succession planning for the Managing Director & CEO, senior executives reporting directly to the Managing Director & CEO and any other Responsible Person.

Remuneration and performance

- 3.30 Approving the overall remuneration framework (inclusive of appropriate performance assessment and consequence management practices that have due regard to the risk appetite set by the Board).
- 3.31 Approving remuneration arrangements and outcomes for the Managing Director & CEO, the senior executives who report directly to the Managing Director & CEO, any other accountable persons under the Banking Executive Accountability Regime, and any other person the Board determines.
- 3.32 Approving the remuneration of Directors, subject to the limits approved by shareholders.

Governance and compliance

- 3.33 Overseeing appropriate corporate governance frameworks (including for relevant information to be reported to the Board by management).
- 3.34 Overseeing compliance with the corporate governance frameworks to promote the desired culture (including risk culture) across the organisation.
- 3.35 Approving BOQ's Corporate Governance Statement.
- 3.36 Determining delegations to Board Committees and management and approving transactions in excess of delegated levels.
- 3.37 Approving the suitability of a proposed Director to be registered as an accountable person under the Banking Executive Accountability Regime.
- 3.38 Overseeing BOQ's process for making timely and balanced disclosure of all material information concerning BOQ that a reasonable person would expect to have a material effect on the price or value of BOQ's securities.
- 3.39 Setting, and annually assessing, measurable objectives in relation to diversity and progress against achieving them.
- 3.40 Overseeing BOQ Group's work health, safety and environmental performance.
- 3.41 Considering and approving major policies of the BOQ Group including those relating to remuneration, board renewal, diversity and market disclosure.

- 3.42 Reviewing breaches of BOQ's anti-bribery and corruption policy.
- 3.43 Overseeing BOQ's compliance with anti-money laundering/ counter terrorism financing laws and regulations.
- 3.44 Overseeing compliance with such other requirements as are imposed by regulators from time to time.

4. Role and responsibilities of the Managing Director & CEO

- 4.1 The Board has delegated the management of the BOQ Group's day-to-day business and operations and administration to the Managing Director & CEO, subject to the specified delegations of authority approved by the Board. Any matters or transactions outside of the delegations of authority must be referred to the appropriate BOQ Group Board or Committee for approval.
- 4.2 The Managing Director & CEO's responsibilities include:
 - (a) developing strategy for the business for review and approval by the Board and achieving the planned results for the BOQ Group;
 - (b) implementing and overseeing the strategic, financial and operational plans of the BOQ Group;
 - (c) ensuring the ongoing development, implementation and oversight of the BOQ Group's risk management and internal controls frameworks;
 - (d) instilling and reinforcing BOQ's Values throughout the organisation while operating within those values, BOQ's Code of Conduct, and the budget and risk appetite set by the Board;
 - (e) ensuring the Board is provided with relevant accurate and clear information in a timely manner to enable the Board to carry out its responsibilities; and
 - (f) ensuring all relevant information affecting the BOQ Group is reported or escalated to the Board's or relevant Board Committee.

5. Board composition

- 5.1 The size of the Board will be determined in accordance with BOQ's Constitution and will include at least five directors (as required by APRA Prudential Standard CPS 510 - Governance).
- 5.2 The Board will be an appropriate size and collectively possess the skills, experience, commitment and knowledge necessary to discharge its duties effectively and to add value.
- 5.3 The Board will comprise a majority of independent Non-Executive Directors. In addition, a majority of the Directors must be ordinarily resident in Australia.

6. Role and responsibilities of the Chair

- 6.1 The Board will appoint the Chair. The Chair must be an independent Non-Executive Director.
- 6.2 The Chair's principle responsibility is to provide leadership to the Board and to ensure the Board fulfils its obligations under this Charter.

6.3 The Chair also has specific responsibilities to:

- (a) chair Board meetings and facilitate the effective contribution of all Directors;
- (b) represent the views of the Board and BOQ to stakeholders including shareholders, customers, employees, regulators and the community, and to ensure the Board understands the views of key shareholders;
- (c) on behalf of the Board, maintain and manage the working relationship with the Managing Director & CEO and senior management;
- (d) promote an environment of trust, respect and openness to ensure consultative and constructive relations between Directors and between the Board and management;
- (e) work with the Managing Director & CEO in relation to the Board's requirements for information on BOQ Group's operations to enable the Board to perform its responsibilities; and
- (f) approve Board agendas.

7. Board Committees

7.1 The Board may from time to time establish committees as it considers necessary or appropriate to assist in carrying out its responsibilities.

7.2 The standing committees of the Board are:

- (a) Audit Committee;
- (b) Risk Committee;
- (c) Human Resources & Remuneration Committee;
- (d) Nomination & Governance Committee;
- (e) Information Technology Committee; and
- (f) Investment Committee.

7.3 The Board will approve the charters of Board Committees, which will set out the role, responsibilities, composition and administration of each Committee.

7.4 The Board may also delegate specific functions to ad hoc Committees on an "as needs" basis.

8. Company Secretary

8.1 The Company Secretary is directly accountable to the Board, through the Chair, on matters relating to the proper functioning of the Board.

8.2 The Company Secretary's role includes:

- (a) advising the Board and its Committees on governance matters;
- (b) monitoring that Board and Committee policy and procedures are followed;

- (c) coordinating all Board business including meetings, agendas, Board and Committee papers and minutes, communications with regulatory bodies, ASX and all statutory and other filings; and
- (d) helping to organise and facilitate the induction and professional development of Directors.

8.3 The appointment and removal of a Company Secretary will be subject to Board approval.

8.4 All Directors have unfettered access to the Company Secretary and the Company Secretary has unfettered access to Directors.

9. Meetings

9.1 The Board will meet a minimum of 8 times per financial year and otherwise as often as is necessary to fulfil its responsibilities.

9.2 A Director may call a Board meeting at any time. On request of any Director, the Company Secretary must call a meeting of the Directors.

9.3 The agenda for Board meetings will:

- (a) be prepared by the Company Secretary and approved by the Chair; and
- (b) will include items required by this Charter and any other items requested by Directors or management and approved by the Chair.

9.4 Board meeting papers should be distributed to Directors prior to each meeting in sufficient time to enable Directors to read the papers and properly prepare for the meeting. The Company Secretary will endeavour to ensure that, to extent practicable, Board meeting papers are distributed at least 7 days prior to each meeting.

9.5 A quorum will be three directors who, at any given time, are able to vote on the particular matter before the meeting at that time.

9.6 A majority of Directors present and eligible to vote at all Board meetings must be Non-Executive Directors.

9.7 The Non-Executive Directors will meet for private discussion as required.

9.8 Directors of the Board will be available to meet with APRA and other regulators on request.

10. Director independence

10.1 The Board assesses, at least annually, the independence of each Director.

10.2 When assessing the independent status of a Director, the Board will have regard to BOQ's Policy on Independence of Directors.

11. Conflicts of interest

11.1 Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interests.

11.2 Directors must keep the Board advised, on an ongoing basis, of any material personal interest or actual or potential conflict of interest that relates to the affairs of the BOQ Group. If any

matters to be discussed at a Board meeting would involve a Director's material personal interest or conflict of interest, that Director will do the following:

- (a) declare their interest;
- (b) not receive the relevant Board papers;
- (c) not be present at the meeting when the matter is considered; and
- (d) not participate in any decision making about the matter, except as permitted by the *Corporations Act 2001* (Cth) and BOQ's Constitution.

11.3 Where a matter is discussed which would involve the Chair's material personal interest or conflict of interest, the Board may elect another Director to assume the position of Chair of the Board while the relevant matter is considered.

11.4 Any Director who disagrees with a determination by the Board that they have or may have a conflict of interest, and who is aggrieved at being excluded from access to Board papers or other information and/or participation in Board meetings as a result of the determination may refer the matter to the Chair for review. The Chair must promptly conduct the review and either confirm, vary or set aside the arrangements. Where the aggrieved Director is the Chair, the review and decision on arrangements will be made by the Chair of the Audit Committee.

11.5 The Company Secretary will maintain a record of dealings in securities and declarations of interest by Directors and report them to the Board as necessary.

12. Board performance

12.1 The Board will review the performance, including the efficiency and effectiveness, of the Board, its Committees and each Director at least annually.

13. Access to management

13.1 The Board and each Committee has free and unfettered access to senior management and may make any enquiries to fulfil its responsibilities. In addition to regular presentations by senior management to Board meetings, Directors may seek briefings from senior management on specific matters.

14. Access to independent professional advice

14.1 Directors, both collectively and individually, may seek independent professional advice in connection with fulfilling their responsibilities as Directors at BOQ's expense, subject to obtaining the prior written approval of the Chair (such approval not to be unreasonably withheld).

15. Induction and continuing professional development

15.1 All new Directors will undertake an induction program.

15.2 Director education is conducted regularly and is incorporated into the annual Board calendar.

16. Confidentiality

16.1 All proceedings of the Board, including Board papers, presentations and other information provided to the Board, must be kept confidential except as required by law or as agreed by the Board.

17. Conduct

- 17.1 Each Director is bound by BOQ's Values and the BOQ's Code of Conduct. Each Director is also required to comply with the terms of their appointment and the terms and conditions of any arrangements or BOQ policies specifically applying to them.

18. Review

- 18.1 This Charter and Board Committee charters will be reviewed as required and at least annually.

Date: 1 July 2020