



# **Board Performance Review & Renewal Policy**

**Bank of Queensland Limited**

## BOARD PERFORMANCE REVIEW AND RENEWAL POLICY

Bank of Queensland Board of Directors

Bank of Queensland Board of Directors

## Contents

1	Introduction .....	4
1.1	Purpose .....	4
2	Board Performance Evaluations .....	4
2.1	Appointment of Directors.....	4
2.2	Review of performance .....	4
2.3	Review Composition of Board and Committees .....	5
3	Use of external consultants.....	5
4	Review of policy .....	5

## 1 Introduction

### 1.1 Purpose

Bank of Queensland Limited (**BOQ**) conducts its business in a complex and constantly changing regulatory and business environment.

It is important that the Board of BOQ reviews its own performance and the performance of its board committees and subsidiary boards from time to time, with a view to achieving and maintaining a high level of performance in such an environment.

This Policy sets out the guidelines that the Board has agreed to follow regarding Board renewal and Board performance evaluations. The Board of BOQ reviews its performance and the performance of its board committees in accordance with this Policy. The Nomination & Governance Committee will assist the Board in conducting performance reviews in accordance with the terms of its Charter and relevant BOQ policies.

Each Director is expected to:

- represent the interests of all shareholders;
- actively seek a full appreciation of the business of BOQ and its subsidiaries (**BOQ Group**) including key business drivers, the risks facing BOQ Group and applicable risk management policies, the regulatory environment in which BOQ operates and banking, finance and insurance sector issues (as applicable to BOQ); and
- actively participate in open, honest discussion and bring an independent mind to bear on matters before the Board.

For the avoidance of doubt, this Policy is applicable to each of the Boards and Board Committees of BOQ and its APRA regulated subsidiaries. Reference to the Board in this Policy means the Board of BOQ and/or the Board of each of BOQ's APRA regulated subsidiaries, and reference to APRA means the Australian Prudential Regulation Authority.

## 2 Board Performance Evaluations

### 2.1 Appointment of Directors

When appointing a new director, the Board will consider potential candidates by taking into account the need to balance the skills, tenure, experience, diversity and perspectives of its directors as a whole and having regard to the *ASX Corporate Governance Principles and Recommendations* (Fourth edition) which require a listed entity to have a board of appropriate size that collectively have the skills, commitment and knowledge of the entity to enable the Board to discharge its duties effectively.

Potential candidates for board positions may be identified using market intelligence and specialist external advisers.

In sourcing new directors, the Board will have reference to BOQ's Diversity Policy, to ensure a broad diversity of representation on the Board, with the objective to ensure that there is an equal balance of gender on the short-list of candidates for each vacant board position, wherever reasonably possible.

When considering whether the Board will support an incumbent director's nomination for election or re-election, the Board will consider the director's performance (taking into account the factors in section 4.8 below) and the skills, experience, expertise and diversity that the director brings to the Board, as well as having reference to the Board skills matrix.

### 2.2 Review of performance

The Board meets annually for the purpose of reviewing and evaluating the performance of the Board as a whole, in meeting its key responsibilities, achieving its objectives and reviewing the time commitment required from a non-executive director.

As part of this review, the performance of the Board as a whole, each Director and the Chair is assessed annually, and an independent external facilitator is used periodically to assist in this process. The

## BOARD PERFORMANCE REVIEW AND RENEWAL POLICY

facilitator seeks input from each Director and, where deemed appropriate, certain members of senior management when carrying out the assessment.

The Chair meets at least once a year one-on-one with each Director, for discussion on Board performance and individual Director performance, to allow each Director to raise all issues considered to be relevant to the review and evaluation. To assist with maximising the effectiveness of such discussions, the Chair is provided with objective information about each Director (such as number of meetings attended by the Director during the past year, Committee memberships, other current directorships), and the results of the externally facilitated assessment, if one has occurred during the period under review.

The Chair meets formally at least twice a year with the Managing Director & CEO to discuss the Board's view of management's performance, level of interaction with and support of management, and vice versa. These matters may also be discussed from time to time during meetings of the Chair and the Managing Director & CEO throughout the year.

In addition to the annual review, Directors may at any time request to discuss any Board performance concerns with the Chair.

A review of the performance of the Chair of the Board is also undertaken on an annual basis, based on feedback obtained from each Director. This is discussed by the Board as a whole in the absence of the Chair.

All one-on-one discussions are confidential, unless otherwise agreed by the Director concerned.

The evaluation of director performance will have regard to factors such as:

- expectations of Directors as noted in section 1.1 of this Policy; and
- the expectation that the Directors and the Board as a whole will perform their duties:
  - in the interests of shareholders and other stakeholders; and
  - in accordance with the duties and obligations imposed by applicable laws, regulations and prudential requirements.

Directors are encouraged to maintain and improve their knowledge, skills and expertise through briefings, seminars and ongoing training programs.

### 2.3 Review Composition of Board and Committees

---

The Board determines the criteria for Board membership and reviews the composition of the Board in accordance with the Board Charter.

The Board seeks to ensure that there is an appropriate range of experience, skills and expertise on each Committee, reflecting the type and scope of work each Committee is to undertake. The Board has charged the Nomination & Governance Committee with the responsibility to make recommendations to the Board on its composition and succession plans, and to address matters including ensuring that the Board remains open to new ideas and independent thinking while retaining adequate expertise. The Nomination & Governance Committee may make recommendations to the Board for the rotation of members between Committees, having regard to skills requirements, succession planning and length of service of members on any Committee.

The Board also regularly assesses Directors who have served on the Board of BOQ for more than 10 years which could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of BOQ and independently of management and any substantial holders of BOQ.

## 3 Use of external consultants

The Board may engage external consultants to evaluate its performance in accordance with this Policy, or implement recommendations made by the Board as a result of any evaluation.

## 4 Review of policy

The Board reviews this policy at least every two years.