



People, Culture & Remuneration Committee Charter

Bank of Queensland Limited

1. Purpose

- 1.1 The purpose of the People, Culture & Remuneration Committee (**Committee**) of the Board of Bank of Queensland Limited (**BOQ**) is to assist the Board to (i) set the values and manage the culture, conduct and capability of personnel within BOQ and its subsidiaries (**BOQ Group**) and (ii) effectively discharge its responsibilities to oversee the remuneration policies and practices of the BOQ Group such that these policies and practices:
- (a) fairly and responsibly reward individuals having regard to performance;
 - (b) support the risk management framework and long-term financial soundness of BOQ; and
 - (c) comply with relevant laws, regulations and prudential standards.
- 1.2 The Committee serves as the Remuneration Committee for entities within the BOQ Group that are regulated by the Australian Prudential Regulation Authority (**APRA**) who have delegated their remuneration committee function to the Committee.
- 1.3 The role of the Committee is to assist the Board to effectively discharge its responsibilities in respect of the following matters:
- (a) the BOQ Group Remuneration Policy (**Remuneration Policy**), including its effectiveness and compliance with applicable laws, regulations and prudential standards;
 - (b) making annual recommendations on the remuneration of:
 - (i) Non-Executive Directors;
 - (ii) the Managing Director & CEO;
 - (iii) Group Executives and other direct reports of the Managing Director & CEO;
 - (iv) any other persons whose activities may, in the Committee's opinion, affect the financial soundness of BOQ;
 - (v) any person who is a Responsible Person; and
 - (vi) any other person that may be specified by APRA;
 - (c) BOQ's goals and objectives relevant to the remuneration and performance of the Managing Directors & CEO and all other Accountable Persons or Responsible Persons of the BOQ Group;
 - (d) the short-term and long-term incentive plans for BOQ's Group Executives and any other Accountable Persons and Responsible Persons of the BOQ Group; and
 - (e) the design of BOQ Group's remuneration framework, including employee equity plans.

2. Composition

- 2.1 The Board will appoint all members of the Committee, including the Chair of the Committee.
- 2.2 The Committee must comprise of a minimum of three independent Non-Executive Directors. All Committee members must be Non-Executive Directors and a majority of the Committee must comprise independent Non-Executive Directors.
- 2.3 The Committee must include at least one member of the Audit Committee and at least one member of the Risk Committee.
- 2.4 The Committee Chair must be an independent Non-Executive Director.
- 2.5 The Committee Chair is responsible for leading the Committee and overseeing processes for the Committee's performance of its role in accordance with this Charter. The Committee Chair will also be responsible for supporting the Chair of the Board in discussions with proxy advisers, shareholders and other key stakeholders in relation to the annual Remuneration Report and the Committee's activities and areas of responsibility.
- 2.6 If the Committee Chair is absent from a meeting, the members of the Committee present will appoint a Chair for that meeting.
- 2.7 BOQ's Company Secretary, his or her designated representative, or such other person as the Board may nominate, will act as Committee Secretary.

3. Responsibilities of the Committee

In performing its role, the responsibilities of the Committee include, but are not limited to:

Remuneration Policy

- 3.1 Reviewing and assessing the Remuneration Policy's effectiveness and compliance with applicable laws, regulations and prudential standards.
- 3.2 Reviewing and making recommendations to the Board in relation to the Remuneration Policy, including the Remuneration Policy's ongoing appropriateness and relevance at least every two years or otherwise as required.
- 3.3 Reviewing and recommend to the Board on the design and implementation of cash and equity-based incentive plans, together with any applicable performance measures.
- 3.4 Reviewing and recommending to the Board the methodology for assessing, determining and adjusting incentive awards to ensure performance over the longer term, aligned with shareholder and other key stakeholder outcomes, is achieved.

Employee Equity Plans

- 3.5 Reviewing the design and terms of all employee equity plans for approval by the Board, including plan rules and applicable performance hurdles.
- 3.6 Reviewing and making recommendations to the Board for approval of amendments to existing employee equity plans.
- 3.7 Monitoring progress in relation to the performance hurdles under the BOQ Group's equity-based long term incentive arrangements.

- 3.8 Reviewing and making recommendations to the Board in relation to adjustments to employee equity vesting outcomes following risk and compliance reviews.

Managing Director & CEO

- 3.9 Reviewing and making recommendations to the Board annually of the individual remuneration arrangements (including performance measures and outcomes) of the Managing Director & CEO, having regard to the Remuneration Policy, including:

- (a) fixed remuneration levels;
- (b) short and long term remuneration targets and outcomes (including performance targets);
- (c) superannuation agreements;
- (d) any termination payments to be made;
- (e) retention, sign-on and equity buy-out awards;
- (f) the development of any employee equity plan to apply to the Managing Director & CEO; and
- (g) any other forms of remuneration.

- 3.10 In relation to the Managing Director & CEO's performance:

- (a) reviewing and recommending to the Board, the performance evaluation undertaken by the Chair of the Board;
- (b) determining the outcome of any performance hurdles in relation to any employee equity plan in which the Managing Director & CEO may participate, and providing written notification to the Managing Director & CEO of any such performance determination; and
- (c) determining any adjustments to the performance-based components of the Managing Director & CEO's remuneration in the considerations set out in paragraph 3.15.

Accountable and Responsible Persons

- 3.11 Reviewing and making recommendations to the Board annually (and where appropriate, separately to the St Andrew's Group) of the individual remuneration arrangements of those persons captured by paragraph 1.3 (b) of this Charter , including:

- (a) fixed remuneration levels;
- (b) short and long term remuneration targets and outcomes (including performance targets);
- (c) superannuation agreements;
- (d) any termination payments to be made;
- (e) retention, sign-on and equity buy-out awards;
- (f) incentive awards to be made to each individual; and
- (g) any other forms of remuneration.

- 3.12 Reviewing and making recommendations to the Board in relation to the remuneration of the categories of persons covered by the Remuneration Policy.
- 3.13 Reviewing and making recommendations to the Board, in relation to the appointment and specific individual contractual arrangements for Group Executives and any other executive who is an Accountable Person or a Responsible Person.
- 3.14 Reviewing and making recommendations to the Board on the design and rules of the short-term incentive plans for Group Executives having regard to the Remuneration Policy.
- 3.15 Reviewing recommendations from the Managing Director & CEO, and recommending to the Board application of discretion to adjust performance-based components of remuneration downwards, or to zero if appropriate, if the Committee:
 - (a) subsequently considers that having regard to circumstances or information which has come to light after the grant of the deferred equity or cash (STI or LTI), all or part of the initial grant was not justified in accordance with the provisions of the relevant plan rules; or
 - (b) determines that an adjustment should be made where an Accountable Person has failed to fulfil their accountability obligations under the Banking Executive Accountability Regime.

Non-Executive Director Remuneration

- 3.16 Reviewing and making recommendations to the Board on the remuneration framework, policies and fee levels for Non-Executive Directors on the Board, having regard to input from the Board's independent remuneration consultant.
- 3.17 Reviewing and making recommendations to the Board on the remuneration framework, policies and fee levels for Non-Executive Directors of BOQ subsidiary boards.

Diversity, Talent & Culture

- 3.18 Reviewing and making recommendations to the Board on diversity at all levels of the BOQ Group below Board level, including setting measurable objectives for achieving diversity.
- 3.19 Reviewing and reporting to the Board on the BOQ Group's diversity strategy and the progress against that strategy across the BOQ Group (including progress in achieving the measurable objectives set by the Board in relation to diversity at all levels of the BOQ Group below Board level).
- 3.20 Receiving reports on the BOQ Group's pay equity position and the steps taken to identify, eliminate and rectify any identified gaps.
- 3.21 Reviewing and endorsing and overseeing the execution of the BOQ Group People & Culture strategy and ensuring that it is aligned with the BOQ Group's overall business objectives to:
 - (a) attract, develop and retain talent; and
 - (b) create and drive a purpose-led culture.

Succession

- 3.22 Overseeing succession planning for roles not covered by the Nomination & Governance Committee (that is, roles below the MD&CEO level).

External Reporting

- 3.23 Overseeing the preparation of any relevant reports required by law, the ASX Listing Rules, or requested by the Board, including relevant remuneration disclosures in the annual report and other shareholder documents.
- 3.24 Reviewing, recommending and providing relevant assurances through the Audit Committee to the Board for approval of the Remuneration Report to be included in the annual Directors' Report.

4. Engagement of remuneration consultants

- 4.1 If advice is required by the Committee, the Committee Chair is required to approve and undertake the engagement of independent remuneration consultants when obtaining advice on remuneration packages and other employment conditions as required for Key Management Personnel. The Committee Chair will be responsible for liaising on behalf of the Committee and ensuring that appropriate processes are followed.

5. Meetings

- 5.1 The Committee will meet a minimum of five times per financial year and otherwise as often as is necessary to fulfil its responsibilities.
- 5.2 Meeting dates and times are to be determined by the Committee Chair. However, any Committee member may call a Committee meeting at any time. On the request of a Committee member, the Committee Secretary must convene a meeting of the Committee provided that reasonable notice is given to all Committee members.
- 5.3 The agenda for Committee meetings will:
 - (a) be prepared by the Committee Secretary and approved by the Committee Chair; and
 - (b) include items required by this Charter and any other items requested by Committee members or management and approved by the Committee Chair.
- 5.4 Committee meeting papers should be distributed to Committee members prior to each meeting in sufficient time to enable Committee members to read the papers and properly prepare for the meeting. The Committee Secretary will endeavour to ensure that, to the extent practicable, Committee meeting papers are distributed at least 7 days prior to each meeting.
- 5.5 A quorum for any Committee meeting will be two independent Non-Executive Directors who, at any given time, are able to vote on the particular matter before the meeting at that time.
- 5.6 The Committee may adopt any rules and regulations as it considers appropriate to conduct its activities, provided they do not conflict with BOQ's Constitution, this Charter or any resolution of the Board.

6. Attendance by non-members

- 6.1 Each Board member who is not a member of the Committee will receive all Committee meeting papers and may attend all Committee meetings. The Managing Director & CEO and Group Executive People & Culture may be invited to attend meetings as required. However, no executive may be present during discussions on his or her own remuneration.
- 6.2 Other members of management and/or external parties to the BOQ Group may also be invited to attend any Committee meeting.

- 6.3 Non-members in attendance at Committee meetings will have no voting rights and may be asked to withdraw from all or any part of a Committee meeting.

7. Reporting

- 7.1 Minutes of Committee meetings will be circulated to all Board members.
- 7.2 The Committee Chair will provide regular reports to the Board in relation to its activities and make recommendations, as appropriate.

8. Conflicts of interest

- 8.1 The guidelines set out in BOQ's Board Charter or approved by the Board from time to time relating to declaring and dealing with conflicts of interests at a Board level will apply to Committee meetings.

9. Access to management or other parties

- 9.1 The Committee has free and unfettered access to senior management, risk and financial control personnel and any other internal or external parties, and may make any enquiries, to fulfil its responsibilities.

10. Access to independent advice

- 10.1 The Committee may seek independent advice in connection with fulfilling its responsibilities (including by engaging and receiving advice and recommendations from appropriate independent experts or consultants) at BOQ's expense, subject to obtaining the prior written approval of the Chair of the Board (such approval not to be unreasonably withheld). The engagement and any advice received will be independent of management.

11. Committee performance

- 11.1 The Committee will review its performance annually as part of the annual Board performance review and will report on the findings and any recommendations resulting from its review to the Board.

12. Review

- 12.1 The Committee will review this Charter as required and at least every two years, and will recommend any amendments to the Board for approval.

13. Delegation to act

- 13.1 The Committee may, in its discretion, delegate some or all of its responsibilities to the Committee Chair, the Chair of the Board, or a sub-committee of the Committee.

14. Other

- 14.1 Committee members will be available to meet with APRA and other regulators on request.
- 14.2 The Committee will perform any other responsibilities as determined by the Board from time to time.

Date: 31 August 2020