



# **Board Performance Review & Renewal Policy**

St Andrew's Insurance (Australia) Pty Ltd

St Andrew's Life Insurance Pty Ltd

St Andrew's Australia Services Pty Ltd

Version 6.0, 28 May 2020

## BOARD PERFORMANCE REVIEW & RENEWAL POLICY

### Approver

Board of Directors – St Andrew’s Group of Companies

### Owner

Company Secretary

### Functional Owner

Company Secretary

### Hierarchy Classification

Level 1 Policy

### Revision History

Version	Approval Date	Author	Description
2	22 February 2016	Company Secretary	Annual Revision of Policy and amendments to meet requirements of the BOQ Group Policy Framework
3	20 February 2017	Company Secretary	Annual Revision of Policy and amendments to meet requirements of the BOQ Group Policy Framework
4	19 February 2018	Company Secretary	Annual Revision of the Policy
5.	17 July 2019	Company Secretary	Annual Revision of the Policy
6.	28 May 2020	Company Secretary	Annual Revision of the Policy

## 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
2.2.1	Evaluation of Director Performance .....	5
2.3	Review of Composition of Board and Committees .....	5
2.4	Use of External Consultants.....	5

## 1 Introduction

### 1.1 Purpose

St Andrew's Insurance (Australia) Pty Ltd (**SAI**), St Andrew's Life Insurance Pty Ltd (**SALI**) and St Andrew's Australia Services Pty Ltd (**SAAS**), (collectively, **the St Andrew's Group or the Boards**) conduct their business in a complex and constantly changing regulatory and business environment. It is important that the Boards of the St Andrew's Group review their own performance and those of their committees from time to time, with a view to achieving and maintaining a high level of performance in such an environment. The St Andrew's Group of companies are subsidiaries of Bank of Queensland Limited (**BOQ or the Bank**).

This Policy sets out the guidelines that the Boards have agreed to follow regarding their performance and renewal. The Boards review their performance and those of its Committees, in accordance with this Policy.

Each Director is expected to:

- actively seek a full appreciation of the business of the St Andrew's Group, including key business drivers, the risks facing the St Andrew's Group, applicable risk management policies, the regulatory environment in which each company operates, and all relevant banking, finance and insurance sector issues (as applicable to the company); and
- actively participate in open and honest discussion and bring an independent mind to bear on matters before the Boards.

## 2 Board Performance Evaluations

### 2.1 Appointment of Directors

The appointment of new directors will be determined by, and at the discretion of, the Bank. When appointing a new director, the BOQ Board will consider potential candidates taking into account the need to balance the skills, tenure, experience, diversity and perspectives of its directors as a whole.

Potential candidates for board positions will be sourced using the BOQ Board's contacts and market intelligence, as well as through the services of specialist external advisers, where considered necessary. In sourcing new directors, the BOQ Board will have reference to the BOQ Diversity Policy, as amended from time to time, with the objective to short-list at least 1 female candidate for each vacant board position wherever reasonably possible.

When considering whether to support an incumbent director's nomination for election, the BOQ Board will consider the director's performance (taking into account the factors in section 2.2.1 below) and the skills, experience, expertise and diversity that the director brings to the Boards of the St Andrew's Group.

### 2.2 Review of Performance

The Boards of the St Andrew's Group are to meet annually for the purpose of reviewing and evaluating the performance of the Boards in meeting their key responsibilities and achieving their objectives.

As part of this review the performance of the Boards, each Director, and the Chairman is assessed annually, and an independent external facilitator may be used periodically to assist in this process. The facilitator seeks input from each Director and, where deemed appropriate, certain members of senior management when carrying out the assessment.

The Chairman meets at least once a year on a one-on-one basis with each Director for discussion on Board performance and individual Director performance and to allow each Director the opportunity to raise all issues considered to be relevant to the review and evaluation. To assist with maximising the effectiveness of such discussions, the Chairman is provided with objective information about each Director (such as number of meetings attended by the Director during the past year, committee

memberships, and other current directorships), and the results of any externally facilitated assessment, if one has occurred during the period under review.

The Chairman meets at least once a year with the Chief Financial Officer of the Bank and the Chief Financial Officer of the St Andrew's Group and with the Chief Executive Officer of the St Andrew's Group (**CEO**) to discuss management's view of the Boards' performance, level of interaction with, and support of, Management. These matters may also be discussed from time to time during meetings of the Chairman and the CEO throughout the year.

In addition to the annual review a Director may, at any time, request to discuss any Board performance concerns with the St Andrew's Group Chairperson.

A review of the performance of the St Andrew's Group Chairperson is also undertaken on an annual basis, based on feedback obtained from each Director. This is discussed by the Boards with the St Andrew's Group Chairperson.

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

### **2.2.1 Evaluation of Director Performance**

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 Boards will perform their duties:
  - in the interests of shareholders and other stakeholders;
  - in a manner consistent with BOQ's core values of passion, achievement, courage, integrity and teamwork; and
  - in accordance with the duties and obligations imposed by applicable laws.

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

The Chairman of the St Andrew's Boards is to meet at least once a year one-on-one with the Chairman of the BOQ Board for a discussion on Board performance, individual Director performance and the performance of the Management of the St Andrew's Group.

## **2.3 Review of Composition of Board and Committees**

---

The BOQ Board determines the criteria for St Andrew's Group Board membership and reviews the composition of the St Andrew's Group's Boards in accordance with the SAI and SALI Board Charters.

The BOQ Board seeks to ensure that there is an appropriate range of skills and expertise on each Committee, reflecting the type and scope of work each Committee is to undertake. The BOQ Board has charged the BOQ Nomination & Governance Committee with the responsibility to make recommendations to the BOQ Board on the St Andrew's Group's Board and Committee compositions and succession plans, and to address matters including ensuring that the St Andrew's Group's Boards remain open to new ideas and independent thinking while retaining adequate expertise.

The BOQ Board also gives consideration to whether Directors have served on the St Andrew's Group's Boards for a period which could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the company.

## **2.4 Use of External Consultants**

---

The BOQ Board may engage external consultants to:

- evaluate the St Andrew's Group's Boards performance in accordance with this Policy; or
- implement recommendations made by the BOQ Board as a result of any evaluation.