



Board Charter

St Andrew's Life Insurance Pty Ltd

Version 7.0 19 February 2020

ST ANDREW'S LIFE INSURANCE PTY LTD – BOARD CHARTER

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 |
|---------|------------------|-------------------|---|
| 3 | 19 February 2015 | Company Secretary | Revision of Policy and amendments to meet requirements of the BOQ Group Policy Framework (to be undertaken every 2 years) |
| 4 | 20 February 2017 | Company Secretary | Revision of Policy and amendments to meet requirements of the BOQ Group Policy Framework (to be undertaken every 2 years) |
| 5 | 19 February 2018 | Company Secretary | Annual Revision of Policy |
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1 Introduction

1.1 Role of the Board

The St Andrew's Life Insurance Pty Ltd (**SALI**) Board Charter sets out the key governance principles adopted by the Board in governing SALI.

In adhering to the responsibilities and powers set out in this Charter, the Board members are expected to perform their duties with integrity, honesty and in a professional manner in accordance with the law. In striving to achieve the objectives, SALI endeavours to be an institution that looks after its staff, values and services customers and partners with the community.

SALI is a wholly owned subsidiary of Bank of Queensland Limited (**BOQ**) and is part of the BOQ Group.

1.2 Board Composition

The SALI Board will consist of a minimum of five Directors and may include the Chief Executive Officer of BOQ and at least one senior executive of BOQ and/or SALI. The majority of the Board are to be non-executive directors, at least two of whom must be independent directors. Non-executive directors may include BOQ Board members. Executive Directors may include BOQ senior managers, and executives of the St Andrew's Group.

The BOQ Board determines the criteria for Board membership and reviews the composition of the Board, the nomination, appointment and removal of all Directors and terms and conditions of appointment to the Board, taking into account the recommendations of the BOQ Nomination & Governance Committee.

A quorum shall consist of 3 directors who, at any given time, are able to vote on the particular matter before the meeting at that time. A quorum for a Board meeting must be present at all times during the meeting.

1.3 Chairman

The Chairman of the SALI Board will be:

- elected by the Board of BOQ;
- a non-executive director; and
- independent (as that term is defined in the St Andrew's Group's Policy on Independence of Directors).

1.4 Company Secretary

The Company Secretary is directly accountable to the Board, through the Chairman, for all governance matters that relate to the SALI Board's proper functioning. The appointment and removal of the Company Secretary will be subject to Board approval.

Each Director has direct access to the Company Secretary.

1.5 Meetings

SALI's non-executive directors meet at least 4 times per year and otherwise as required with the Chief Executive Officer (**CEO**) of the St Andrew's Group and Company Secretary and other members of management as appropriate. The non-executive directors will meet together without management, if required.

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.

Directors will make themselves available to meet with the Australian Prudential Regulation Authority (APRA) on request.

1.6 Committees

The Board may delegate tasks to the following committees to assist in the execution of its responsibilities:

- St Andrew's Group Audit Committee;
- St Andrew's Group Risk Committee;
- BOQ Information Technology Committee;
- BOQ Human Resources & Remuneration Committee; and
- Any other Committee constituted by the Board.

A separate Charter has been prepared for each Board Committee.

2 Responsibilities of the Board

2.1 Duties and Responsibilities of the Board

The Board guides and monitors the business and affairs of SALI. In particular, the Board is responsible for:

- the overall corporate Governance of SALI, including:
 - the oversight of regulatory compliance;
 - ensuring that SALI observes appropriate ethical standards; and
 - the achievement of the BOQ Group's values.
- charting the overall strategy and direction of SALI, including setting, monitoring and reviewing strategic, financial and operational plans for SALI.

In order to fulfil these responsibilities, the Board reserves to itself the following powers:

- Reviewing and approving SALI's strategic plan at least annually.
- Setting the risk appetite for SALI.
- Approving annual budgets.
- Reviewing and approving financial results.
- Determining the dividend policy and the amount and timing of dividends to be paid.
- Considering issues and recommendations raised by the Chief Actuary.
- Monitoring the effectiveness of risk management of SALI, including reviewing and approving risk management policies, operational risk policies and procedures and systems of internal controls.
- Dealing with all matters which are outside discretions conferred on the CEO of the St Andrew's Group. Setting of targets for and assessing the performance of the CEO of the St Andrew's Group.
- Approving the organisational structure at a direct reporting level to the CEO of the St Andrew's Group, in consultation with the Chief Financial Officer of BOQ.
- Reviewing succession plans for the CEO of the St Andrew's Group and senior executives in consultation for the BOQ Human Resource and Remuneration Committee, where considered necessary.
- Ensuring that areas of significant business risk are identified and effectively managed.
- Establishing Board Committees.
- Acting within the overall policies established by the Board and the BOQ Board from time to time.
- reporting to the BOQ Board on the performance of SALI and its Management.

2.2 Responsibilities of Management

The responsibilities listed in Section 1 are expressly reserved to the Board. Other powers which are delegated to management include the following:

- being responsible for day to day management of SALI within the overall strategies and frameworks approved by the Board;
- being responsible for the following activities of SALI:
 - developing strategy for approval by the Board, and after approval, implementing that strategy;
 - financial and capital management and reporting;
 - operations;
 - information technology;
 - marketing the current business of SALI and acquiring new business;
 - customer service and maintaining customer relationships;
 - human resources, people development, performance and the creation of a safe and enjoyable workplace;
 - developing and maintaining key external relationships, including with media and industry participants;
 - credit;
 - reporting to the Board on the performance of SALI and its management; and
 - otherwise performing such duties as are from time to time delegated by the Board.

The Board will, from time to time, undertake a review of their responsibilities and those of Management to ensure that they remain appropriate for the needs of SALI.

2.3 BOQ Board

The Board of BOQ is responsible for the following matters:

- the appointment of the CEO of the St Andrew's Group, including the delegation of powers to the CEO of the St Andrew's Group within authorised discretionary levels; and
- Having first consulted with, and considered the views of, the Boards of SAI, St Andrew's Australia Services Pty Ltd and St Andrew's Life Insurance Pty Ltd and the Chief Executive Officer of BOQ, the BOQ Board is responsible for the appointment of the CEO of the St Andrew's Group, including the right to suspend, remove or dismiss the CEO of the St Andrew's Group from executive office.

3 Independence

All directors of SALI must act independently and bring an independent mind to bear on matters coming before the Board.

The Board has considered the question of what criteria must be satisfied in order for a director to be regarded as 'independent' and has determined a policy on independence. The Board will regularly assess whether each director can continue to be regarded as 'independent' under that policy.

3.1 Conflicts of Interest

Directors must keep the Board advised, on an ongoing basis, of any material personal interest or potential conflict of interest. If any matters to be discussed at a Board meeting would involve a Director in a material personal interest or conflict of interest that Director will:

- declare their interest;
- not be present at the meeting during a discussion of the matter; and

- not participate in any decision making about the matter except as permitted by the *Corporations Act 2001* (Cth).

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 for any period that it resolves.

The Company Secretary will maintain a record of Directors' dealings in securities and declarations of interests and potential conflicts.

3.2 Professional Advice

Every director or Committee of the Board has the right to seek independent professional advice in connection with carrying out their duties and at SALI's expense. Individual Board members seeking such advice must obtain prior written approval of the Chairman (which may not be reasonably withheld). Such advice should be produced through the Company Secretary. It should also be shared with the other members of the Board, where appropriate.

3.3 Code of Conduct

Each member of the Board shall abide by the terms of the BOQ Group Code of Conduct and other applicable policies in all dealings with and on behalf of the Bank.