

## BOQ 2025 Annual General Meeting

**Laura Churchill:** Good morning and welcome to the 2025 Annual General Meeting of the Bank of Queensland Limited. My name is Laura Churchill. I lead BOQ Group's Community Investment Program, including supporting the important work of our key community partner, Orange Sky. I'm pleased to welcome you to today's meeting.

On behalf of the BOQ Group Board, I would like to acknowledge Aboriginal and Torres Strait Islander people as the first Australians and Traditional Custodians of the land on which we meet today. The Brisbane Convention and Exhibition Centre, the BCEC, stands and operates on the place known as Kurilpa, a former hunting ground shared and travelled through by many First Nations peoples, including the Turrbal and Yuggera peoples of Meanjin. The Board would like to extend their respects to Elders past and present and to all First Nations people watching today's proceedings across Australia.

For those of you joining us in person, you are located in the Boulevard Room at the BCEC. In the unlikely event of an emergency, BCEC staff will act as fire wardens to assist in the movement of patrons to the designated assembly point, which is the South Bank TAFE green park in Glenelg Street.

The BCEC has two distinct alarms. The first alarm is a warning, which is a beep-beep. If you hear this alert tone, you should prepare to evacuate and await further instructions. The second alarm is an evacuation tone, a whoop-whoop. If you hear this tone, please calmly make your way to the nearest emergency exit, proceed to the assembly point and follow BCEC staff instructions at all times.

For those attending in person, if you are holding a blue or yellow admission card and you wish to ask a question, please wait for the relevant item of business to be called and then make your way towards the microphone stand. Please present your admission card and provide the attendant with your name.

For those viewing the meeting online today, there is an option as set out in the Notice of Meeting to submit questions online. Questions can only be submitted by shareholders, proxyholders or corporate representatives.

Shareholders viewing the webcast who wish to submit a question or comment online, now or during the meeting, can do so by selecting the Ask a Question button located at the bottom of your screen. You will need to validate yourself with your shareholder number, then select the item of business your question relates to, type in your question and press submit. Online questions are limited to 512 characters. If you exceed the limit, you will be unable to submit your question and will be asked to revise your question. Your question will then be placed in a queue and addressed at the relevant item of business.

To assist with the efficient conduct of the meeting, online questions may be aggregated based on their subject matter so that they may be answered together and lengthy questions may be summarised. We encourage you to begin submitting your online questions now.

Questions on customer or personal shareholding matters will not be put to the meeting. You'll be contacted after the conclusion of the meeting to ensure you receive the individual support you require.

Shareholders should also be aware that defamatory, repetitive or domineering questions or questions that are not relevant to the Company or the items of business being considered at the meeting will also not be put to the meeting.

Due to time constraints, if we run out of time to answer all questions at the meeting, we will endeavour to answer your questions via email following the meeting.

Today's meeting is being professionally recorded. The webcast and transcript will be available on BOQ's Shareholder Centre following the meeting. Accordingly, any mobile phones and other recording devices are not permitted to be used to record today's meeting.

Thank you for joining us today. I will now hand to your Chair, Andrew Fraser, to commence the meeting.

**Andrew Fraser:** Good morning, everyone. My name's Andrew Fraser and I'm the Bank of Queensland Limited's Chair. I'm also a shareholder. A warm welcome to the 2025 Annual General Meeting of the Bank

of Queensland Limited, both to those shareholders who are joining us here in person today and to those joining us online via our webcast, including those interstate and overseas.

The Company Secretary has confirmed that a quorum is present and given that it is 10:09, I declare the Annual General Meeting open. I will also take the Notice of Meeting as read.

I'll now make some introductions. Seated from my right, your left, Ms Racheal Kellaway, the Chief Financial Officer; Non-Executive Director, Mickie Rosen, who's also the Chair of the Board's Transformation and Technology Committee; Non-Executive Director, Paul Riordan, Chair of the Audit Committee, who is standing for election today; and Non-Executive Director, Mary Waldron, who's the Chair of the Board's Risk Committee. To my left, your right, Managing Director and Chief Executive Officer, Patrick Allaway; Non-Executive director, Karen Penrose, who's the Chair of the People, Culture and Remuneration Committee, who is standing for re-election today; And finally, our General Counsel and Company Secretary, Fiona Daly.

Mr Craig Stafford of PwC, the Company's external auditor, is in attendance today and he's seated in front of me, he just stood. Mr Stafford will be available to answer questions in regard to the conduct of the audit, the content and preparation of the Audit Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

The Company's senior members of management are with us today and seated directly in front of me and I'll now outline the format of the meeting.

First, I'll give an address as your Chair. Next, we'll hear from your Managing Director and CEO, Patrick. We've both considered the questions received from shareholders in advance of the meeting and sought to address the common themes within our addresses. We'll then turn to the business of the meeting, during which, we'll look to answer any questions you may have.

As has already been mentioned, this meeting is being webcast, so I ask that you keep your questions brief and to the point so that our viewers can hear the question clearly.

Shareholders, our Annual General Meeting is an event that the Board looks forward to every year. It gives us the chance to hear directly from our shareholders and to respond to your questions. So, today is an important opportunity for a broad range of BOQ shareholders to ask us questions on the issues that are of interest to them. So, I once again ask that if you keep your questions brief, please, and perhaps avoid repeating issues that may have already been covered.

In the interests of the orderly conduct of the meeting, we'll accept only two questions at a time to give all shareholders an opportunity to be heard. And in the interest of all shareholders, I'll reserve the right to limit the time a shareholder has to ask a question.

Turning now to my address. Shareholders, it's my honour to be addressing you today as the Chair of Bank of Queensland Limited, an institution with a more than 150-year history and a strong future, drawing upon foundational strength here in Queensland and with a national footprint and a national ambition.

I'm grateful for the opportunity and the trust that's been put in me by my colleagues around the Board table and by our team, and I'm very conscious of the duty I owe to you as shareholders and to everyone who has a stake in the future of BOQ.

It's my privilege this morning to talk to you through the considerable progress BOQ Group has made in 2025 in continuing to adapt to deliver a simpler, specialist bank.

When we look to what our customers need from their bank, it's safety and security of their funds, ease of use and well-considered products. Core to addressing these needs is the build and delivery of our digital bank, which has been built with compliance, efficiency and security by design, is highly automated and digital end-to-end.

This year, the Board has overseen the further strengthening of the Group's operational resilience and compliance with anti-money laundering and counter-terrorism financing regulations through making

substantial progress on our two remedial action plans. These programs, which are addressing our two court enforceable undertakings, are well-progressed, with 44% of all activities of these multiyear programs now complete. We are committed to maintaining a sharp focus on ensuring the uplifted risk practices flow through the entire organisation.

Shortly, your CEO, Patrick Allaway, will talk to the achievements of delivering in the digital bank, which underpins the future of the Group, and he'll talk to how this is supporting the customer experience.

As an organisation, we've long recognised the importance of simplifying across all layers within BOQ. That includes looking at the number of products on offer, the way that we distribute those products and the spans and layers of our teams.

A key development in simplifying our complexity this year was the conversion of all previously franchised branches to one unified corporate network. This conversion was completed in six months and we're pleased to welcome 602 new employees who transferred as part of the conversion and branch strategy.

This milestone was transformative for the Group, reinforcing BOQ's commitment to Queensland at the heart of its physical network and it's enabled us to strategically optimise our presence across Australia and embed more business bankers in high-growth corridors, particularly here in Queensland.

This shift reflects our deliberate reallocation of capital from traditional home lending towards more profitable business lending, positioning BOQ as a leading partner in key business segments.

Shareholders, in preparation for mandatory climate-related disclosures that apply from this financial year onwards, we've engaged with our stakeholders to ensure that we are both compliant with the new laws and standards and appropriately mitigating climate risk for the bank.

BOQ remains committed to supporting a lower-carbon economy, assisting our customers with the transition and acting in line with the United Nations' Principles of Responsible Banking. This year, there's been considerable progress in engaging with our stakeholders to understand the important issues that they are facing and uplifting our governance in relation to sustainability matters.

Shareholders, 2025 cash profit after tax of \$383 million was up 12% on the prior year. This increase was driven by both an underlying and headline margin uplift, disciplined cost management and strong underlying asset quality.

We declared a fully-franked final dividend of \$0.20 per share, taking the full-year dividend to \$0.38 per share, an uplift of 12% against FY24. We were pleased to return \$231 million in capital to shareholders.

Shareholders, standing today for re-election, with the support of the Board, is Karen Penrose. Karen provides invaluable insight to the Board with two decades of banking experience and then extensive Non-Executive Director experience. Karen presently chairs the Board's People, Culture and Remuneration Committee.

Standing for election today, also with the support of the Board, is Paul Riordan. Paul brings over 40 years of experience across corporate governance, risk management, financial markets, treasury and payments infrastructure, and Paul presently chairs the Audit Committee.

Also, standing for election today is Stephen Mayne, who has self-nominated as a Non-Executive Director. While we appreciate Mr Mayne's considered nomination and the commitment he brings to shareholder engagement, his proposed election is not supported by the Board, given Mr Mayne's experience is not aligned with the skills and competency mix required around the Board table.

At this juncture and on behalf of the Board, I'd like to extend my gratitude to Warwick Negus for his nine years of dedicated service to BOQ, the last two as your Chair, as well as also acknowledging the service of Deborah Kiers, who retired in August. The Board maintains a strong focus on ensuring that we have the right mix of skills and experience to guide BOQ in its next phase of transformation.

Shareholders, in closing, your bank is well positioned to deliver on its ambitious transformation, to meet the evolving needs of our customers, to support economic growth in our communities and deliver value to all stakeholders as a profitable bank that delivers for shareholders.

BOQ has a strong heritage. It has a foundational strength and a national ambition to be the bank that customers choose.

On behalf of the Board, I'd like to take the opportunity to thank all my Board colleagues, the management team and all our people for their dedication to what makes BOQ unique and for their unwavering commitment to our customers.

Finally, thank you to our customers for trusting us with their banking.

I'll now invite your CEO, Patrick Allaway, to address the meeting.

**Patrick Allaway:** Thank you, Andrew. Good morning and a warm welcome to our Annual General Meeting. We appreciate you taking the time to join us today, especially those of you who've travelled from outside of Brisbane and interstate, and also those joining the proceedings online.

At the 2022 AGM, we announced the reset of our strategy, to focus on strengthening, simplifying, digitising and optimising the performance of BOQ, to deliver an improved customer experience and value for our shareholders. We said that transformations of this scale are difficult and would take time, with interim lower returns due to the increased investment required in the business and the anticipated escalating industry headwinds.

When we met this time last year, we said that we expected to see benefits of the transformation starting to emerge in 2025. I'm pleased to report that while we're on a continuous improvement journey with more to do, we made strong progress in 2025. We're a stronger bank, both financially and operationally. We simplified our operations and distribution channels. The digital bank is now largely built, with 44% of our retail customers enjoying improved banking experience on the new platform. We delivered improved financial performance with cash earnings up 12%, a 70 basis point uplift on our return on equity, and the 210 basis point reduction in our cost-to-income ratio.

I will start with some comments on customer experience and trust. We understand Australians have a wide range of choices regarding where they bank. BOQ provides an important, differentiated banking alternative, centred on our Queensland heritage and specialist sector capabilities.

We're earning customer trust by improving our experiences on the digital bank, providing valued expertise from our specialist bankers, responding faster to customer needs and ongoing investment in protecting customers against scams and fraud.

This year has presented challenges for households and businesses, with sustained inflation and cost-of-living pressures and limited relief from cash rate reductions. We continue to support customers and communities in navigating this environment and have improved support for those facing financial difficulty.

We partnered with Way Forward, a free not-for-profit debt help service, and through the efforts of our people, donated over \$200,000 to our key community partner, Orange Sky Australia, which supports vulnerable Australians in times of need.

Our customer base grew by 3% during 2025, reaching 1.5 million customers.

Building on our foundational strength in Queensland, we launched the Bank of Queenslanders campaign to leverage our heritage and competitive advantage in supporting Queenslanders. We invested in new bankers and marketing and announced partnerships with the Royal Queensland Show, the Ekka, and the Queensland Rugby Union.

Our cultural transformation is focused on shifting to our target state of customer first, outcomes driven and agile ways of working as an important enabler for our future success.

We're starting to see improvement across our culture index measures. We continue to prioritise the experience of our people and our people engagement index rose by two percentage points compared to 2024 during a period of significant change.

We're also monitoring risk culture as a key measure for the bank and are building stronger operational foundations to ensure we deliver improved operational resilience and risk maturity. Our multiyear remedial action plans are well-progressed, with 44% of activities now closed.

Moving now to an overview of our retail bank transformation, to deliver a digitally enhanced, simpler and intuitive customer experience. This is being delivered through the build of our digital bank and simplification of distribution channels to support our customers' banking preferences. These improvements are making banking with BOQ more convenient and efficient, reinforcing our commitment to put customers at the centre of everything we do.

We've started rolling out a digital mortgage offering, with conditional approval for standard home loans in less than 90 seconds and unconditional approval on the same day.

Migrating all retail customers from our heritage banking platforms onto the new digital bank is well underway, and we're progressing with the ME customer cohort first, which will be completed in 2026.

Migration is a complex phase of our transformation, and we're managing it carefully to minimise interim disruption for our customers. We recognise that change is difficult and that we don't get it right all the time. We're focused on supporting customers through this transition to what we know is a materially improved experience on the new digital banking platform.

Once complete, all retail customers will be on our end-to-end digital bank, providing a superior customer experience, reducing operational complexity and risks, lowering our operating cost ratios as we retire our old systems.

In addition to this digital transformation progress, we've simplified our distribution channels by converting our franchise branch network to a corporate proprietary channel in March this year. This has enabled us to allocate more bankers to growth corridors and improve returns on business generated through this channel. We've also realigned our branch network to match customer banking preferences and consolidated branches located close to each other.

While the role of branches will evolve, we remain committed to maintaining a physical experience, predominantly in Queensland, to complement our digital strategy and relationship-driven business bank.

Moving now to some comments on the successful growth of our business bank. Commercial lending increased by \$1.6 billion, representing a 14% growth rate supporting our business customers. Our business bank focuses on specialist sectors where we can differentiate support for our customers, particularly in healthcare, agriculture and assisting small to medium businesses with well-secured, owner-occupied commercial property.

We're investing in new bankers, supporting our accelerated growth strategy. Our co-located business banker and retail branch pilot has been a great success, and we are now rolling this model out through growth corridors in Queensland to support our expected strong growth across the state over the next decade.

We made two announcements in August this year, which are material shifts to the way we operate. We announced a new strategic partnership with Capgemini, a global technology leader, to leverage their core technology, business processing and AI capabilities. This will further support our operating model, digitise processes, support scalable growth and improve our customer experience.

This partnership complements our existing strong relationship with Microsoft and will help us accelerate automation and leverage artificial intelligence. It will also equip our people with the skills and tools needed to thrive in a rapidly evolving technology landscape, enabling them to deliver greater value for our customers.

We also announced in August that we're exploring partnerships with capital providers who have a lower cost of capital than BOQ or a higher risk appetite for certain risk assets. We're currently in a live transaction process to procure a capital partner, divesting up to \$3.8 billion of our equipment finance loans off our balance sheet and entering into a service agreement for BOQ to continue to originate these assets to meet customer growth aspirations.

To be clear, we are not selling the equipment finance business, which remains core to our strategy. Rather, this model will allow BOQ to transfer a portfolio of assets, releasing capital, funding and credit risk while continuing to support customer growth and earning service fees. If successful, we will consider further ways to optimise our balance sheet performance and pursue capital-like growth with other asset portfolios.

Some comments on our financial performance. This year's improved financial performance reflects sound management of both margin and expenses, with benefits from our transformation strategy emerging.

We've recycled uneconomic home lending growth and redirected capital towards business banking segments where we hold a strong competitive advantage with higher returns. We've maintained discipline with expenses and upheld prudent capital and liquidity settings. Asset quality and productivity initiatives underpinned a 12% increase in FY25 cash profits after tax to \$383 million, alongside improved return on equity and cost-to-income ratios.

Moving now to the outlook. While we've made considerable progress in advancing our transformation agenda and strengthening our position, it's important to acknowledge the challenging external environment in which we operate. Increasing global risks and persistent industry headwinds necessitate a measured approach as we look ahead to the 2026 financial year. These factors prompt us to remain cautious in our outlook as uncertainties in the broader market may impact our growth trajectory and operational performance.

We remain vigilant and committed to navigating these challenges, ensuring BOQ continues to deliver value for our stakeholders while safeguarding our resilience and adaptability.

Against this unpredictable backdrop and accelerated competition, we will maintain our focus on returns over volume growth, prudent risk settings, with a strong capital and liquidity position and a well-secured credit portfolio.

We reiterate the guidance we gave at our recent financial results presentation that total cost growth for the full year 26 is expected to be sub-inflation. Given the timing of productivity initiatives, we are anticipating when compared to the second half of 2025, first half 2026 expense growth will be broadly in line with inflation.

We are slowing the deliberate decline in our home lending portfolio as we shift to a higher-returning proprietary model and continued strong growth in our commercial lending.

We welcome the Council of Financial Regulators' recommendations for a fairer playing field for smaller banks. If enacted, they would have a meaningful impact on BOQ's ability to compete and provide Australians with a compelling banking alternative.

In closing, I want to restate we're delivering on our commitments with improved performance in 2025. Despite our cautious outlook, reflecting external market factors, we remain focused on what we can control through the continued disciplined execution of our transformation strategy.

Our agility, proven execution capability, willingness to confront challenges and make difficult decisions will remain central to our ongoing evolution and success.

I'm proud to work alongside a team committed to transforming BOQ into a simpler, specialist bank, delivering improved outcomes for both our customers, people and shareholder returns.

I'd like to take this opportunity to thank the Board for their support and to congratulate Andrew on his appointment as Chair. We're excited for the next chapter of BOQ under Andrew's leadership.

Thank you to our customers, our people and shareholders for your continued support of BOQ.

I will now pass back to the Chair for the formal business of the meeting. Thank you.

**Andrew Fraser:** Thank you, Patrick. We now come to the formal business of the meeting. Before we proceed, there are a few more procedural matters which I must draw to your attention.

Shareholders, each item of business listed in the Notice of Meeting will be discussed in turn and members will have the opportunity to ask questions on that item of business. We'll endeavour to answer your questions here in the room today.

To ensure all shareholders have an opportunity to ask a question today, please save your questions for the individual items until we reach that specific item of business and may I also ask that questions be confined to the business of the meeting.

A reminder that you can log online questions at any time. However, we'll hold off on raising those related to a particular item of business until we're at that point of considering that item.

Again, I remind you that in the interest of the orderly conduct of the meeting, we'll accept only two questions at a time, and that's to give all shareholders an opportunity.

To facilitate an orderly discussion, I'll first spend some time answering questions in the room from shareholders who are physically in attendance, and we'll then move to written questions received via the online platform. If I can ask, please, to direct all questions to me as the Chair in the first instance. Directors and senior management will also be available for a time after the meeting to answer any more specific questions that you may have.

In terms of voting, all eligible shareholders and proxyholders have been issued with yellow voting cards on entering the meeting, upon which a vote can be recorded against each resolution. If you are both a shareholder and a proxyholder, it's important that you complete two voting cards, one as a shareholder and the second as a proxy. Please raise your hand now if you have the wrong voting card and a member of the MUFG team will come to assist you.

Following questions on each resolution, details of the proxy votes that have been received by the Company will be displayed on the screens behind me. Any open proxies that I've received subject to the voting restrictions detailed in the Notice of Meeting for Items 2 to 4 and for Item 6 and able to be voted, will be voted in favour of each resolution and against for Item 5. Voting on all items will be conducted by poll unless indicated otherwise.

In respect of the conduct of the polls, I hereby appoint Mr Chris Healey of MUFG as Returning Officer. MUFG attendants will be available to collect your voting cards at the end of the meeting and will all be available at the exits of this room.

Results of the individual votes will be published on the ASX and the BOQ website as soon as they've been verified later today.

Please keep your voting cards with you until all resolutions have been voted upon. If you do need to leave the meeting early, you can place your completed voting card at one of the ballot boxes at the exit. Again, if you have any questions, please see an MUFG team member.

We'll now proceed to the first item of business. The first item of business listed in the Notice of Meeting is to receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company for the financial year ended 31 August 2025.

Shareholders, although voting is not required on this item, shareholders do have the opportunity to ask questions or to make comments about the reports and on the business operations and management of the Company. Shareholders can also take this opportunity to ask Mr Stafford of PwC, the Company's external auditor, questions on the conduct of the audit, the content and preparation of the Audit Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Shareholders, if you're holding a blue or yellow admission card and would now like to ask a question, please move to a microphone stand and if you can please provide your voting card and name to the attendant so they can introduce you and I'll invite any questions.

**Moderator:** Morning, Chair. Just introducing Noel Ambler from Australian Shareholding Association.

**Noel Ambler: (Australian Shareholders' Association, Representative)** Good morning, Chair. I must say congratulations to start off the meeting with. Pretty impressive, 12% up on statutory profit and 14% business growth, 3% more customers, things are going well. However, NPAT is down 53%. Now, this appears to be caused by one-off adjustments. Would you please be able to expand on the issues with these one-off adjustments?

**Andrew Fraser:** Thanks, Noel. Thanks for your question. Thanks also for the congratulations and thanks to the Australian Shareholders' Association for the work that you do and for the engagement with the Company both today and previously. Thank you also for acknowledging the improvements in our position and the forward view that we've outlined today.

In terms of your direct question, the most significant item in terms of the one-off adjustments is in relation to a write-down of goodwill, and that relates to an historic acquisition of a home lending building society in Western Australia, I think in 2007. Important to note, it doesn't affect cash or capital, and that was, I think, \$170 million of the decrement that's recorded that you reference.

The other items in the adjustments are an allocation increase to the work of our remedial action plans. As we've talked about previously and as I mentioned earlier, and Patrick did also, they are vitally important that we achieve those in accordance with our undertakings to regulators to provide a way forward for the bank.

The other item relates to restructuring costs, which does go to the way in which we're transforming the operating model of the bank to provide for a more digital bank and a transformation for the future.

Those are the most significant items in the adjustments this year, along with one other, sorry, which is the branch conversion costs, which I also referenced early. But thank you for the question.

**Moderator:** Chair, I'd like to introduce Mr Paul Blackmore, a proxyholder.

**Paul Blackmore: (Finance Sector Union of Australia, Representative)** Thank you. Good morning. Paul Blackmore from the Finance Sector Union. We represent finance workers across Australia, including your staff here at Bank of Queensland.

My first question is with regards to job security. We've heard about your transformation process, your branch conversion process and your arrangement with Capgemini that you announced in August. We recently conducted a survey which workers said to us that about 70% of staff are concerned about their ongoing job security at BOQ.

Their job security has been heightened by those recent changes, and again, 70% of those relevant groups felt an increased job insecurity because of the branch conversion process and your arrangement with Capgemini. Their concerns aren't unfounded. We know the Capgemini offshoring and outsourcing arrangement has already led to the redundancy of 200 staff, another 48 announced last week in financial crimes and we believe that there's more to come based on some information that we've received.

I looked at your Annual Report and that also provides a bit of a grim picture when it comes to job security. In page 73, it shows that your staff FTE is actually reduced by 9% over the last financial year when you take out those people that have come across with the branch conversion process.

So, here's my question. What do you say to BOQ workers who are feeling insecure in their jobs right now? What commitments can you give them that they will have an ongoing job and that they've got job security at BOQ?

**Andrew Fraser:** Thanks, Paul. Thank you for the question and I also want to acknowledge the important role that the FSU plays in our community and thank you for your advocacy.

I do want to make a couple of points in relation to this. The first is to acknowledge that change and transformation is difficult and it's challenging. It's difficult and challenging for the entire organisation and it's particularly challenging for our people as we work through that transformation.

It is worth, however, putting it in contradistinction to the alternative, which is not to respond to changes in the marketplace and not to respond to the changes that are occurring in our society, in our economy and, indeed, most particularly, in relation to technology.

Our task here is to provide for a sustainable future, for a profitable bank for all shareholders, and that includes the interests of everyone who works for us. I very much want to acknowledge that we are living in a time of change. That change is not about to abate or continue, and indeed, it is likely that the pace of change will continue to increase as we think about the future.

I do, however, want to make these couple of points very importantly about our people. The first thing is we know that we are asking all of them to work with us on the transformation. One of my favourite quotes is to endure, we must change, and there is absolutely that theme in relation to banking generally and to BOQ in particular.

When it comes to employment at BOQ, I do want to acknowledge, however, that over the last three years, the number of people who work for us has increased by 17%. So, a little over 3,000 three years ago and today, 3,558 FTE, so the overall employment at BOQ has increased. That in no way diminishes the fact that particular people will be impacted, but the overall employment profile at BOQ has increased.

The task here is that there will be change in particular roles, but change is also creating new roles with different expertise and different skills and different capability. When change is employed for our people, we look to reskill, redeploy to support them. That is something that we've been doing in recent years. We maintain a commitment to do that. For everyone who works at BOQ, our commitment here is to provide a sustainable future for the bank, but thank you.

**Moderator:** Morning, Chair. Just introducing George Baumber, Director of Faircase.

**George Baumber: (Shareholder)** Good morning. I've been a shareholder of Bank of Queensland for 30 years now. In the old reports, we would get a summary which would give us a five-, seven- or 10-year history of the Company's performance with profits and turnover, et cetera, et cetera. These things have disappeared from the Annual Report and I think that they're important, that you people can come and highlight, now, okay, we've gone up 12%, but the previous year, we were down 20% on where we were. So, you're not getting a full picture of the performance of the Company and I'll talk about that when we get to the Remuneration Report, but I would very much like to see in the Annual Report a summary that goes back at least five years, preferably seven to 10 years, so that people can look at the history of the Company and that. But I'll talk further about some of the performance when we get to the Remuneration Report. Thank you.

**Andrew Fraser:** Thanks, George. Firstly, thank you for being a shareholder for that period of time, and thank you for your engagement at the AGM. I'll take on board the point that you make. We obviously present our financials in accordance with the Australian Accounting Standards and present an Auditor Report in accordance with the accounting standards, but I understand the point that you're making.

**Moderator:** Just reintroducing Noel Ambler.

**Noel Ambler: (Australian Shareholders' Association, Representative)** Thank you, Mr Chairman, the second time around. I forgot to give the advertising for the ASA. Today we represent, I think, around about \$6 million in shares and we would like to thank you for putting up with us and hopefully, we will not embarrass you, as best we can.

It's been reported that about 70 of the 114 former branch owners have grouped together to challenge the valuations. What is the status of this and has the bank put some money aside for any potential league action by these ex-managers?

**Andrew Fraser:** Thank you again, and also thank you for a word from your sponsors, always important. The answer to your question, as I understand, it relates to the branch conversion which was conducted during the financial year. There are no current legal actions or proceedings against the bank in respect of that conversion. The conversion took place within six months, and the conversion took place in accordance with our timetable and with the budget that we provided for the acquisition.

It is the case, as was publicly reported, that there were negotiations with some particular managers, but as we stand here today, there are no outstanding court proceedings before the bank.

**Noel Ambler: (Australian Shareholders' Association, Representative)** Thank you.

**Moderator:** Chair, I'm reintroducing Mr Paul Blackmore, a proxyholder.

**Paul Blackmore: (Finance Sector Union of Australia, Representative)** Thanks again. Seeing as we're doing a second time round, I thought I'd have another crack. Late last week, you announced redundancies in financial crime operations, with 48 roles being made redundant here at BOQ to be picked up by Capgemini, an outsource provider that does work offshore.

Given previous issues that have been declared with AUSTRAC and your undertaking that you've currently got in place with the regulator, why is the bank offshoring such a critical function to an offshore provider?

**Andrew Fraser:** Thanks, Paul, and thanks for the question. The item you relate to is specifically about a matter that we're consulting with staff at the moment, which is, I understand, how you're aware of the item. The important point to make here is that any decisions that we ultimately do take here will be in full accordance with all of our obligations to AUSTRAC as the regulator when it comes to anti-money laundering and counter-terrorism. Those decisions are ones that are being taken in consultation with our people and as I said earlier, we are making sure that where we have those discussions, it's important to point to both the roles that will be impacted but also the roles that are being created.

The opportunity for reskilling and the opportunity for redeployment, it is something that we're working through with our team members as we look to implement the changes to the operating model. This is a partnership that is also about accessing deep external expertise and also advanced technology. We see that as critically important.

One of the few areas in the economy at the moment that is not suffering from a lack of innovation or productivity is financial crime. Financial crime is progressing at a pace and, therefore, we need to make sure as an organisation that we constantly look towards technology partnerships and upskilling to be able to meet the mark when it comes to those pressures on the bank.

But as I said earlier, I acknowledge the impact that it has on people and I don't seek to diminish that.

**Paul Blackmore: (Finance Sector Union of Australia, Representative)** Can I just ask in terms of a risk perspective, given that you've got this undertaking with AUSTRAC and you've made efforts to remediate the issues, why now change track and send that work over to Capgemini?

**Andrew Fraser:** So, this is about a broad partnership with Capgemini. Capgemini and Microsoft are our two major technology partners. This is about making sure that where we can access the technological innovation and expertise that they have, that we can do that. We've done this with full knowledge and in consultation with AUSTRAC as the regulator and we anticipate that this will improve the way in which we meet our obligations to AUSTRAC and do that in a way that also supports the future economic viability of the bank.

**Paul Blackmore: (Finance Sector Union of Australia, Representative)** Thank you.

**Moderator:** Morning, Chair, just introducing Geoff Howells, shareholder.

**Geoff Howells: (Shareholder)** Good morning, Mr Fraser. Thank you very much for hearing my questions. My first question is, are the dividends being paid out of current profits or previous year's profits? Also, will there be any more write-downs in goodwill? Now, we all want better growth in our shares, don't we? How about considering a share buyback? You could do it at a premium, so that it will attract a lot of shareholders to cash in their shares and then individual shareholders will value. Can I have your thoughts on that?

**Andrew Fraser:** Sure. No worries. Thanks for the questions. In order, we are not anticipating any further write-downs in goodwill, but obviously, that's an annual test that takes place. But the goodwill write-down that was taken in this financial year related to that historic acquisition and I therefore don't expect a goodwill change of any order of magnitude as we think about the time ahead. But it is an annual test, that's

a statement of fact in terms of the accounting standards. The profits that we paid this year were from current profits.

In terms of capital management and the options that you raised, I think the best I can say today is I'm not in a position to make a declaration announcement in my first AGM as Chair about a new initiative, but I will say this, that the interests of our shareholder are to the forefront, the interests of making sure that we provide for an attractive return for shareholders are always to the forefront, and whatever that means for future capital management decisions, we'll be definitely taking the views and primacy of the shareholders into account.

**Moderator:** Chair, I would like to introduce Mr Rad Piljik, a shareholder.

**Rad Piljik: (Shareholder)** Good morning. I'm just looking at the future and the trends I've noticed with other companies. What assurance can you give us that we will be holding this type of hybrid meeting in the future?

**Andrew Fraser:** Thanks, Brad, was it?

**Rad Piljik: (Shareholder)** Rad.

**Andrew Fraser:** The question is will we be holding an AGM for BOQ into the future?

**Rad Piljik: (Shareholder)** Yes, as a hybrid format.

**Andrew Fraser:** In this format, where we have physical and electronic participation, that is absolutely our intention. I'll see you back here in 12 months.

**Rad Piljik: (Shareholder)** I'm not quite confident because the Treasury let us down even though most of the inputs into Treasury suggested that most people wanted a hybrid meeting. So, the suggestion I make is something within the Constitution. So, how do you go about doing that?

**Andrew Fraser:** So, I can only give you my word, as I just did, that it's our intention to convene a physical meeting with electronic participation. That's what we've done the last number of years. We think that suits the Bank of Queensland, and as the new Chair, I'm happy to say that that's what we'll do next year.

**Rad Piljik: (Shareholder)** So, it will last as long as your tenure?

**Andrew Fraser:** Well, I've only just started, so it's probably a commitment for a little while.

**Rad Piljik: (Shareholder)** Can I make a suggestion of what to put into a constitution now? Or later?

**Andrew Fraser:** I'm happy to take your advice on board, but we might move on because I've answered your question. We'll be back here next year and conducting an AGM that has both physical and electronic participation.

**Rad Piljik: (Shareholder)** I put a suggestion to Treasury that when COVID was on, right, the only time a virtual meeting should be held is either from the order of the state health minister or the federal health minister to protect us small retail shareholders.

**Andrew Fraser:** So, I can perhaps only just reiterate what I said, but secondly, to say we'll always conduct an AGM in accordance with the law and in accordance with the regulations that apply to us.

I understand that shareholders have many interests. I also understand that people are particularly interested in the Christmas cake that we distribute at this meeting, and so my tenure will start with a commitment that will continue. But we might move on. Thank you.

**Moderator:** Chair, just introducing Michael Sanderson, shareholder.

**Michael Sanderson: (Shareholder)** Good day, Board. Sorry for being late. I was booked on an aircraft, but thanks to Jetstar - anyway, we got here. I don't know what's happened prior to me getting here, but I'll go to the webcast. I've got four questions for this section and one for each of the others.

My first one relates to Capgemini. Heterodox columnist, Marina Mazzucato, said, when you outsource the brain of government, you get dumb government. A generation ago, BOQ outsourced its core systems to

EDS Australia. We were told it would modernise the bank and save money, yet customers suffered serious system problems and an EDS contractor inside BOQ was able to steal millions because controls failed.

Other notable missteps have included Temenos, the Microsoft cloud program, and Virgin Money Dimension 3. BOQ is now handing critical technology and operations to Capgemini. Why should shareholders believe this is not another misstep and will not be EDS all over again? What specific lessons from those failures have been hardwired into the Capgemini contract and oversight, and does Capgemini make BOQ dumber?

**Andrew Fraser:** Thanks, Michael, and welcome to the meeting. I might answer the question directly by saying that the decision to partner with Capgemini, as a previous decision taken to partner with Microsoft, are taken for the very primary reason of our ability to access technological innovation to be able to support the operation of the bank.

I'm not sure I accept all of the parts of your preamble, but to your question, you can be assured that the contract that we've entered into with Capgemini, who are a very respected and globally recognised firm in this space, is a robust contract that has appropriate protections for us as a bank and for us as a bank on behalf of you as shareholders. It's a decision that was taken through a process that was deliberate, informed, competitive and appropriately reviewed at every step. I believe it will be a decision that will set up the bank for future success.

**Michael Sanderson: (Shareholder)** I'm sure those comments could have been made about the other four that I mentioned. Doesn't BOQ have the capability of developing those skills within?

**Andrew Fraser:** So, you may have missed earlier, but we were talking about the overall level of employment in the bank and that has increased and we are increasing the roles that we put into the bank that have particular skills and particular capability. But also, very good organisations around the world partner with other good organisations, especially relevant when you're considering the capacity to access and to be able to utilise world-leading technology.

We are a bank, we're not a technology company, but technology is as important to us as it is to many other companies, and these type of arrangements are standard across the corporate sector to provide organisations with the capacity to partner well and to make sure that the development costs and execution costs of that sit at an appropriate level, but this is a partnership that we believe will be of benefit.

**Michael Sanderson: (Shareholder)** Okay. I will leave it at that. What's the protocol? Two questions and a hit?

**Andrew Fraser:** Yes.

**Michael Sanderson: (Shareholder)** Okay. This one's to do with institutional shareholders. A large share of the bank is owned by foreign institutional carpetbaggers like State Street, BlackRock, Vanguard, Dimensional. These same carpetbaggers dominate Australia's energy, telecommunications, pharmaceutical, defence, agribusiness, mining and media. The local operations is overseen by scallywags, I think the term's used, I can probably give a longer version of that, drawn from the revolving door and a small international pool of compliant sycophant executives.

Australia's critical industries are steered by offshore interests and policy outcomes agreed by crony capitalism and political favour. Does the Board see any risk that Australia is becoming a financial colony? Or is it one already?

**Andrew Fraser:** No.

**Michael Sanderson: (Shareholder)** Would you like to justify that?

**Andrew Fraser:** I think I answered your question. What you're pointing to here is a share register which represents, in many instances, custodians for a range of other shareholders. I have every confidence that the legal framework in Australia, and in particular, foreign investment review decisions, are taken through an appropriate legal framework which we operate within. So, your question to me is easily answered, and the answer is no.

**Michael Sanderson: (Shareholder)** Okay. I'd like to point out that the institutional shareholders of Capgemini are those same institutional shareholders I listed, so very pervasive. Anyway, that's my two questions, I'll assume other people...

**Andrew Fraser:** We can move to another question. If not, we'll provide the Jetstar discount.

You can have your third, go, please.

**Michael Sanderson: (Shareholder)** This gentlemen, have you got - I'll let someone else go.

**Andrew Fraser:** Okay. We'll go back to number two.

**Moderator:** Chair, I'm now reintroducing Rad Piljik, a shareholder.

**Rad Piljik: (Shareholder)** I'm pre-empting what's coming up next. I'm assuming what we'll see on the screen is in a legacy format where we see the resolution and also the number of votes. Is that correct?

**Andrew Fraser:** We will, as I said at the start of the meeting, display the proxy votes before the resolution, yes.

**Rad Piljik: (Shareholder)** So, I'd like to improve your digital experience and reduce your panel workload. I spoke to Computershare and Link Market a couple of years ago, and they said that they can interface with your presentation. So, technically, what I'm saying is you can have your resolution, the screen can be blank and then you can ask anyone, the people present, not so much them but the [- and NOA] will display the total amount. Basically, that infers on most of the resolutions, you're in the dark as we are. It represents a fairer system what Australians would expect.

**Andrew Fraser:** I'll take that as a comment and a suggestion, but I appreciate the opportunity to hear the perspective.

**Rad Piljik: (Shareholder)** Because you push technology so much, and I'm trying to push technology onto you people to make it look fairer.

**Andrew Fraser:** Okay. Thanks.

**Rad Piljik: (Shareholder)** Is there any reason that you could explain to other people why you need to be updated with incoming proxy before the AGM?

**Andrew Fraser:** So, we engage in a standard practice here, and I don't think it's unusual. It's important ultimately for the conduct of the meeting that that information's before the meeting, but thank you.

**Rad Piljik: (Shareholder)** But we can progress digitally, can't we?

**Andrew Fraser:** I'm going to call that three questions, but all good.

**Moderator:** Noel Ambler with a third question.

**Noel Ambler: (Australian Shareholders' Association, Representative)** I hope you don't mind me bending the rules, but it's actually not my question, it's one of my fellow shareholders would prefer I ask the question. It's fairly straightforward, actually. Is there a policy in not paying ransom if the worst should happen to hackers? That's the first part of the question.

The second part is basically, all the BOQ-branded customers, have you got a time frame when you're hoping to migrate them over to the new digital bank?

**Andrew Fraser:** Thanks, Noel, and thanks for asking the questions on behalf of another. It's not our policy to pay a ransom, and one of the things that would be relevant here is to contemplate how that could be in accordance with our own obligations around anti-money laundering or counterterrorism.

To make that a plain point, a cybercriminal is unlikely to provide you with their identity to be able to verify it before you pay them. So, any ransom being paid would, in fact, offend, ipso facto, primarily the counterterrorism and money laundering obligations that we have. That's true across Australia.

In terms of the time frame, a couple of points to make. It's our intention to have the full migration of the ME customers conducted in FY26, the current financial year that we're in, and then into FY27 for BOQ, but we can update on that into the future, but that's the plan we're working towards.

**Noel Ambler: (Australian Shareholders' Association, Representative)** Thank you, Chairman.

**Andrew Fraser:** Okay. We'll check if there are questions online?

**Moderator:** Good morning, Chair. There are no questions online for this item at this time.

**Andrew Fraser:** Okay. If there are no more questions, I declare that the reports have been received and considered at the meeting.

We'll move now to Item 2. Item 2 is a non-binding resolution which seeks shareholder approval to adopt the Remuneration Report contained in pages 98 to 121 of the Annual Report.

The Remuneration Report sets out the Board's policies for director and senior manager remuneration, including a discussion of the relationship to BOQ's performance and other information required by the Corporations Act about director and senior manager compensation.

Shareholders, although the vote on the Remuneration Report is only advisory, the Board takes the outcome of the vote seriously and will take into account and into consideration when determining the Company's remuneration policy in the year ahead and will look to re-evaluate the structure and disclosure of the Company's remuneration arrangements in response to any views expressed by shareholders.

I now invite anyone to ask a question in relation to this item of business. I'll just give our attendants a moment.

**Moderator:** Chair, I'm just bringing the microphone to Malcolm Heather, shareholder.

**Andrew Fraser:** Thank you.

**Malcolm Heather: (Shareholder)** Do you mind if I sit down?

**Andrew Fraser:** Please go ahead.

**Malcolm Heather: (Shareholder)** I've been a shareholder for approximately 18 years, but I've banked with the Company now for over 50 years. My name's Malcolm Heather, as I said. I'll give you a brief indication of what I've done.

My first employment was as a bank officer with the old Commercial Bank of Australia in Queen Street when this company was the Brisbane Permanent Building and Banking Corporation, so I do go back quite a long time.

Now, at the tender age of 89, I still work by the way, I manage investment portfolios with a current market value of approximately \$42 million. The portfolio investments consist in shares of more than 100 different companies. My current account is a cash management account. I also have an account called a Bonus Interest Savers Account, now closed.

Because of the extreme low interest that I'm receiving on my balances, I'm looking at moving my accounts somewhere else. Interest rates were reasonable once. The current interest rate for my cash management account, anything from \$1 to \$0.25 million is only 0.05 of 1%. The overdraft rate is 17.2%. No wonder I never had an overdraft.

Now looking to open an account in another bank or banks, the Bank of Queensland has not been able to offer me a decent interest rate on any account that I've tried to open. The problem of working to change my banking instructions would be enormous. In other words, if I had to transfer the dividend slips that the companies pay to another bank when you're running more than three portfolios would be quite substantial. The total transfers to other banks, from the Bank of Queensland this year, I've taken out \$1.34 million and moved it to another bank. My tax accountant has just had negotiations with you people regarding their bank accounts and they were unsuccessful at getting any achievements. The result was they've closed their accounts. They suggest I look elsewhere for my banking business. It would appear the bank directors

are not interested in elderly or retired account holders. The bank is catering to the young generation, offering entitled, enticing interest rates and providing the younger generations do not withdraw funds during a month and if they make more than one withdrawal, there is no interest paid for that current month.

This attitude at the banks today, they forget the older retired clients as they currently do not save as much. Most of the elderly these days have paid their home off and they can spend the small amount of bank interest that some of them make. Go for the younger generation, that seems to be the set-up now by most of the banks, not just the Bank of Queensland. They seem to think that the younger generation who are going to be making payments to prepare for when they buy a home loan, they'll be able to get some very good interest rates, which they do.

**Andrew Fraser:** I might ask you to come to the question if I can, please, Malcolm.

**Malcolm Heather: (Shareholder)** Yes. I'd like to know when the directors are going to look at giving a reasonable interest rate to the retired people and also investments, companies like that I run.

**Andrew Fraser:** Thanks, Malcolm. Firstly, thank you for your tenure as a shareholder and for being a customer, and I appreciate the feedback. To make a couple of brief comments, one is we obviously offer more than one savings product and more than one account proposition and certainly, believe that we've got very competitive interest rate offers in the market.

**Malcolm Heather: (Shareholder)** [Unclear], I'll put them to the shareholders [unclear].

**Andrew Fraser:** And just to finish the answer after your question, which is to say that there are a range of different products that are not age limited that are certainly available to all customers. Patrick, as the CEO, is happy to have a chat with you, I'm sure, at the conclusion of the meeting to make sure that you're aware of those. I appreciate the feedback, but I'll go back to the business of the meeting, which is the Remuneration Report.

**Moderator:** Chair, just reintroducing George Baumber.

**George Baumber: (Shareholder)** Thank you, Mr Chairman. The boards will often tell us that they have no control over share price, et cetera, et cetera. Share price is governed by profit and the performance of the business. So, I would just like to highlight a couple of things.

Four years ago, you went to shareholders to raise capital, and that was at \$7.35. The shares yesterday were at \$6.38. So, we have quite a drop there. If we go back 10 years ago, the shares were up over the \$10 mark. So, we have seen a constant fall in the share price because the performance is lacking.

I would just like to highlight and ask why the Board are getting short- and long-term benefits when we see the profit decline. I looked at the ASX website last night. It tells me four years ago, the profit and what it was this year. It's gone down 70% according to the ASX website. So, I take that as fact.

I got some reports from my stockbroker with regard to the ratio of the CEO's performance and his bonuses that he gets. In the CBA, from a cash rate, he got 0.07% of the profit; same from statutory. ANZ, we leave out because they've had a change in CEO during the year. Westpac Banking Corporation was 0.04% of profit. We go to the Bank of Queensland and from a cash ratio, the CEO is getting 0.56% of profit. If we get it from a statutory ratio, 1.6% of profit going to the CEO. So, the Board is getting certainly overpaid, getting bonuses for short- and long-term performance which aren't accurate. You change the rules to get this, oh, we don't like this, so we'll change this aspect of it. So, to make sure that the Board get their short- and long-term benefits all the time and the shareholders are the ones that are suffering.

**Andrew Fraser:** Thanks, George, and thank you for the feedback. Just to make a couple of clarifying comments. So, in terms of both short- and long-term their variable remuneration, that doesn't apply to directors of the bank, apart from Patrick, obviously, as the Managing Director and the CEO. So, just an important point to clarify.

When it comes to the arrangements that we have in place for Patrick and indeed, for other senior executives, they're put in place with a view to making sure that the management team are appropriately

aligned to shareholder interests. That is both through a short-term and a longer-term lens. That is something that we constantly review and keep under advisement as you would expect any diligent board to do.

We are working our way through a challenging transformation, but we are making strong progress. That's been set out today already in the meeting and ultimately here, the decisions that we make to incentivise and reward our senior executives are ones that we make with a view to aligning to shareholder interests, to creating value and to providing a profitable pathway for the bank.

**George Baumber: (Shareholder)** Shareholders don't get any rewards.

**Moderator:** Chair, I'm reintroducing Mr Rad Piljik, a shareholder.

**Rad Piljik: (Shareholder)** What I'm going to say now is not just applicable to Bank of Queensland, but generally, most public companies. I've noticed one area you seem to want to control is how we vote. The other area, which is a trend through everywhere, is like there's a club that dictates what the remuneration will be, the outcome.

I noticed within the T20, we have Net Wealth Investments Limited, Carlton Hotel Limited and IOOF Investment Services. I imagine they will be doing the same thing for the CEO to vote on their remuneration. So, there appears to be a club and a possible bias between the Board of Directors and management throughout the system. To me, I would call this panel a more [teen] panel. A lot of older people might remember the saying, when you're on a good thing, stick to it.

**Andrew Fraser:** I'll take that as a comment.

**Moderator:** Chair, just reintroducing shareholder, Michael Sanderson.

**Michael Sanderson: (Shareholder)** I don't know if you heard me when first, I said I had four questions for general business. You heard that?

**Andrew Fraser:** I did, and so I thought I invited you back to the microphone, but then you didn't stand up.

**Michael Sanderson: (Shareholder)** I stood up.

**Andrew Fraser:** I apologise if there's been a miscommunication, but the floor is yours, Michael.

**Michael Sanderson: (Shareholder)** I'll include one of my general here and one remuneration.

**Andrew Fraser:** Okay.

**Michael Sanderson: (Shareholder)** Okay. The other one, I'll fit in elsewhere. I can fit it there, no problems. This relates to EDS again. Under BOQ's Power of Attorney with EDS, only specified EDS entities/people or those formally approved in writing could act as attorney.

Mortgage documents were meant to record full details of the person's name and position within EDS. If an entity, such as EDS Australia and/or BOQ, did not ensure compliance with the Power of Attorney, how many mortgages from the EDS era may have been unlawfully executed and foreclosed on? Will BOQ agree to an independent legal review of all EDS era mortgages and security documentation to identify unlawful foreclosures and/or identify the appropriate remedy? Will BOQ agree to make full disclosure to the ASX about potential issues of unlawful foreclosures under mortgages alleged to be signed by EDS, where a person who executed the mortgage is [unascertainable]?

**Andrew Fraser:** Thanks for the question. I don't believe that we do have a current legal risk or a risk that's been identified. So, I don't foresee the need to pursue that further.

**Michael Sanderson: (Shareholder)** Oh, time will tell. My remuneration question. The Remuneration Report tells us executive pay is aligned with risk and community expectations and that you can cut or claw back bonuses. BOQ has been publicly sanctioned for serious and systemic breaches, including charging fees to deceased customers.

Since 2023, BOQ has closed more than 30 branches, including over 20 closures in 2025 alone, according to public records and union evidence. Which executives have had their variable pay cut to zero for this failure? If the answer is no one, why should shareholders endorse the Remuneration Report?

**Andrew Fraser:** Thanks, Michael, for the question. The Remuneration Report that's before shareholders today relates to the last financial year. Therefore, that's the question that's before shareholders. Clearly, in the past, the bank has made different decisions about zero awards. That's been well litigated and well known in the public arena in response to those shortcomings at the time, but the item before the meeting today is in relation to the last financial year.

**Michael Sanderson: (Shareholder)** Well, I put it to you that what happens in the room today will have no bearing. The decisions have already been made by those institutional shareholders I spoke about previously. Would that be correct?

**Andrew Fraser:** Well, we're about to have a vote, so I'm sure we'll all find out.

**Moderator:** Chair, I'm introducing Casey McDonald, a proxyholder.

**Casey McDonald: (Finance Sector Union, Representative)** Hello my name is Casey McDonald, I'm the organiser for the Finance Sector Union who's responsible for Bank of Queensland. I have a question on behalf of your workers and it is in regards to fairness.

Why should people be voting on a resolution today for an increase in your remuneration when some of the lowest paid workers have received a wage decline over the last four years of roughly 4% due to inflation.

**Andrew Fraser:** Thanks, Casey and thanks again to the advocacy of the FSU. So, all of the people that you represent are covered by the EBA that we entered into with your agreement. So, all our people are being paid in accordance with that agreement.

Obviously, there's a new EBA to be negotiated into the next little while and we won't conduct a negotiation here in an open forum, but I'm sure that that will be undertaken in good faith in the near and medium term.

Ultimately here, we are asking shareholders for their support for a broad Remuneration Report which applies to those key management personnel who are in the key leadership positions in the bank. As I said earlier, we put in place those settings with a mind to what is appropriate from a risk and compliance perspective, from a growth perspective and from aligning to shareholder interests.

**Casey McDonald: (Finance Sector Union, Representative)** Thank you.

**Moderator:** Chair, just reintroducing Noel Ambler.

**Noel Ambler: (Australian Shareholders' Association, Representative)** This is obviously in regards to your Remuneration Report. The long-term variable reward performance hurdles have shifted significantly to favour financial outcomes. Last year, financial outcomes were about 50% of the assessment, but now they are 70%. What prompted that shift?

**Andrew Fraser:** So, the question here relates to the LTVR, and we have got a specific item on that later, but I will answer the question here directly because it is also relevant to the broader management team.

We believe that that mix is appropriate in getting the mix between financial and non-financial. At an STVR level, it's 50/50. At a long-term, for the LTVR, it's 70/30. That's about trying to balance, as ever, both regulatory requirements, but also making sure that the financial interests of shareholders are appropriately represented, and in that long-term incentive is the real driver of the incentive outcome to align the management team with the interests of shareholders.

**Noel Ambler: (Australian Shareholders' Association, Representative)** Thank you, Chairman.

**Andrew Fraser:** I might check if there are any questions online.

**Moderator:** Thank you, Chair. We have one question for this item from Stephen Mayne. Which of the proxy advisors covered us this year and did any recommend a vote against any of today's resolutions, including this Remuneration Report? If so, what reasons did they give and did this translate into any

material protest votes? Please don't say they are confidential. It is standard for companies to be across this detail on the voting recommendation and inform shareholders where relevant.

**Andrew Fraser:** Thanks, Stephen, and thanks for your interest in BOQ. We'll shortly display the proxy votes as they've been received.

In terms of proxy advisors, that's a matter for proxy advisors to talk to their own views. They are the views of proxy advisors, not the views of BOQ. Ultimately, I'm here to account for the views and actions of BOQ and the proxy advisors can account for their own actions.

Okay. If there's no more questions, we'll now put the resolution to adopt the Remuneration Report of the Company for the financial year ended 31 August 2025 to the meeting.

Now, certain persons are unable to vote on this item consistent with the voting restriction that's set out in this item in the Notice of Meeting. The Board, noting that each director has a personal interest in their own remuneration, recommends that shareholders vote in favour of Item 2. So, displayed on the screens behind me are details of the proxies received in relation to Item 2.

Please now record your vote on your yellow voting card by ticking the for, against or abstain box. Voting cards will be collected at the end of the meeting once all the items of business have been put to the meeting.

We'll now move to Item 3, which is the re-election of a Director, Ms Karen Penrose. Ms Penrose retires in accordance with the Company's Constitution and stands for re-election at this meeting. The biographical details of Ms Penrose are set out in the Explanatory Statement that accompanied the Notice of Meeting and in the Directors' Report on page 32 of the 2025 Annual Report.

Ms Penrose is one of our longest-standing directors. The Board, through our Nominations and Governance Committee, regularly reviews and considers Board composition. The Board has asked Ms Penrose to stand for re-election to assist in facilitating the orderly renewal of the Board and the transfer of knowledge in addition to benefiting from Ms Penrose's considerable experience as a Non-Executive Director.

Ms Penrose will provide the meeting with a brief address with respect to her request for re-election. I also need to advise that in accordance with BOQ's policy on independence of directors, the Board has determined that Ms Penrose remains an Independent Director.

I'll now invite Karen to address the meeting.

**Karen Penrose:** Thank you, Chair, and good morning, everyone, here today and online. I am Karen Penrose, and I'm seeking support for my re-election to the BOQ Board.

I was first elected to the Board in November 2015, and if re-elected today, this will mark the commencement of my fourth and final term of service on your Board. Like you, I am a shareholder in BOQ.

I thought I'd share a couple of thoughts as to what drives my commitment to BOQ. The first is the critical role that challenger banks play in serving customers and supporting competition in banking and financial services.

I spent 20 years in my executive career with CBA and HSBC before returning to the corporate sector as a chief financial officer. I've seen banking from both sides, from the perspective of a banker and as a corporate client, and I think that experience has made me a better banker and hopefully to a more effective BOQ Director.

This is personal for me too. When I joined BOQ, I became a BOQ customer and I also recommended BOQ to both my now adult children for their financial pathway toward home ownership.

My second reason is that BOQ's commitment to building stronger foundations. Over my tenure, I have leaned into the Board's focus on delivering better customer, people and shareholder outcomes whilst meeting the evolving regulatory requirements. The progress that we're making on our remedial action plans demonstrates the rigour we are bringing to strengthening the bank.

My third reason, and most importantly for shareholders, is BOQ's digital transformation and strategic vision as we simplify and modernise your bank.

Over my 10 years, I've had the privilege of chairing two committees at BOQ, the Audit Committee until earlier this year, and now the People, Culture and Remuneration Committee. Both are roles that I'm passionate about. These roles combine my foundations in financial analysis with the opportunity to engage with talented BOQ executives who underpin the financial health and the people leadership of your Company.

Since 2014, I have worked full-time as a Non-Executive Independent Director. I currently serve on three other ASX-listed boards, all carefully selected to ensure I can commit my time and contribute fully to each. My experience spans healthcare businesses in Australia and overseas, property and technology, all highly relevant to BOQ's specialist business banking focus and to its digital transformation journey.

The breadth allows me to view audit, risk, people and culture and climate-related issues from multiple angles and bring diverse perspectives to my role at BOQ. I've also managed successfully with increased workload during challenging periods including the pandemic and significant corporate activity across my portfolio.

Finally, as I contemplate my fourth and final term, I see a bank that is fundamentally transforming itself. The next three years will be critical as we complete the migration of the ME customers to our digital platform and realise the full benefits of our technology investments as we continue to grow our business banking portfolio in our specialist areas and invest in the leadership and capability of our people to deliver on the vision to be the bank that customers choose.

If re-elected, I will continue to represent your interests as shareholders with the same rigour and independence and commitment that I've brought over the past decade. After 10 years of service, I believe I bring both deep institutional knowledge of BOQ's journey and fresh perspectives from my other board roles. I am energised by the progress that we're making and committed to seeing this transformation through to completion.

Thank you for listening and thank you for your support.

**Andrew Fraser:** Thanks, Karen, and thanks for your contribution to the Board and your commitment to the bank. So, colleagues, shareholders, the Board, with Ms Penrose abstaining, recommends that shareholders vote in support of Ms Penrose's re-election as a Director of the Company and so I'll now invite any questions on this agenda item.

**Moderator:** Chair, just introducing Michael Sanderson, shareholder.

**Michael Sanderson: (Shareholder)** Ms Penrose, as you said, you've been with BOQ since 2015 and have chaired or sat on the Audit, Risk and People, Culture and Remuneration Committees. Throughout this period, APRA and AUSTRAC have found serious risk management, anti-money laundering and counter-terrorism financing deficiencies with BOQ. They imposed dual enforceable undertakings and an additional capital charge with shareholders footing the bill.

What personal accountability do you accept for this period of major oversight failures at BOQ? Why should shareholders support your re-election rather than insist on fresh independent oversight.

I'd just like to add to that question, based on what you said. You said BOQ is a challenger bank. By that, I assume you're challenging the big four. Now, where I see BOQ going is in the same direction as the big four. You're going digital and you're closing branches. If you were challenging, perhaps you should be opening branches and supporting cash.

**Andrew Fraser:** Thanks, Michael. Let me answer the question for the benefit of everyone, which is to say that Karen stands for re-election with the strong support of all Board colleagues, a unanimous decision and unanimous support.

The matters that you are raising have been previously publicly detailed and the accountability measures that the Board took at the time have been previously publicly detailed. The issue here is that Karen is

standing for re-election because of her depth of experience, which is regarded universally around the Board table as being important from a BOQ perspective, but also more broadly.

The personal accountability mechanism is that directors submit themselves to the will of the AGM and to the will of the shareholders, and that's precisely what we're undertaking today.

**Michael Sanderson: (Shareholder)** With respect, Chair, the question was addressed at Karen.

**Andrew Fraser:** So, Michael, I did say at the start of the meeting, but you may have missed, courtesy of Jetstar, we've all been to that movie, but I did ask for meetings to be directed through the Chair, and I can speak very confidently on behalf of colleagues in this respect.

**Michael Sanderson: (Shareholder)** I don't accept it, but there's nothing I can do about it.

**Andrew Fraser:** Thank you, Michael.

Are there any questions online?

**Moderator:** No questions online for this item.

**Andrew Fraser:** Thank you. So, if there are no more questions, I'll put the item in Item 3, the resolution to re-elect Ms Penrose as a director of the meeting. Displayed on the screens behind me are details of the proxies received in relation to this item. Please record your vote now on your voting card.

Shareholders, we'll move then to Item 4, which is the election of a Director, Mr Paul Riordan. Mr Riordan was appointed to the Board in 2025 in April and is seeking to be elected as a Director of the Company at this year's meeting.

The biographical details of Mr Riordan are set out in the Explanatory Statement that accompanied the Notice of Meeting and the Directors' Report on page 32 of the 2025 Annual Report.

In accordance with BOQ's policy on the independence of directors, I can advise that the Board has determined that Mr Riordan is an Independent Director. Mr Riordan will shortly provide the meeting with a brief address with respect to his request for election and I now invite Paul to address the meeting.

**Paul Riordan:** Thank you, Andrew, and good morning, shareholders. My name is Paul Riordan, and I thank you for the opportunity to stand for election to serve on the Board of the Bank of Queensland.

I've had the privilege to serve on this Board since May of this year, following my retirement from full-time executive roles. I presently chair your Audit Committee, and as do all of my fellow Board members, I serve on all Board committees across your bank.

My executive career spans almost 40 years of banking in Australia, but also with experience internationally. After commencing my career with international banks, I've spent the last 30 years in senior executive roles with initially, Commonwealth Bank, and more recently, NAB. This has included roles leading revenue-generating businesses as well as deep experience in leading key enabling capabilities including strategy, finance and risk management. My last executive role was as Group Chief Credit and Market Risk Officer at NAB.

I've had extensive experience on and around boards in the financial services sector. This includes subsidiary companies of the major banks where I've worked, a systemically important global financial markets infrastructure, an industry association and a member-based industry body.

I can assure shareholders that I'm committed to my role as Director of BOQ and as Chair of your Audit Committee and with your support, will leverage my executive and non-executive experience to do so to the best of my ability.

I'm attracted to the opportunity at BOQ in large part as a way of giving back to an industry that has given me so much over my career. I'm a staunch believer in the role that medium-sized banks can and do play in providing choice and financial inclusion to individuals, families and businesses in Australia.

It's an exciting yet challenging time for BOQ. Whilst we face an uncertain global outlook, a rapidly changing technology landscape, remediation programs that need to be closed, changing community

expectations and fierce competition, I'm encouraged by the progress that has been made and the opportunities that are ahead. I genuinely believe that BOQ can continue to evolve a winning service proposition for customers and a rewarding environment for colleagues.

I became a customer of BAQ upon joining the Board to better understand our customers' experience first-hand, and will fully commit my shareholding requirement within the defined period as compliance and governance requirements permit.

In closing, I'd like to thank the Chair and my Board colleagues for supporting my nomination, and if you are so minded, I would be proud to commit to serving our shareholders, our customers and our colleagues to the best of my ability.

Thank you very much.

**Andrew Fraser:** Thank you, Paul, and thank you for your work for the bank to date and look forward to that hopefully continuing into the future.

So, the Board, shareholders, with Mr Riordan abstaining, does recommend that shareholders vote in favour of Mr Riordan's election as a Director of the Company and so I now provide the opportunity for anyone to ask a question in relation to this item of business.

**Moderator:** Chair, I'm introducing Mr Justin Goodfellow, a shareholder.

**Justin Goodfellow: (Shareholder)** Thank you, Chair. Thank you, Mr Riordan. I thought you'd be the perfect person to ask this, given your newness to the Board and your risk and technology profile and experience. Down where I live in Surfers, the branch has been closed recently after a long time and been open forever and there's been a bit of talk about that from other folks. So, as a new customer, the customers down in Surfers, it's probably really good that a lot of them didn't show up today because a lot of them can be quite volatile and unpredictable. But I wanted to ask you about the digital transformation journey. I understand that, and that's the way the world's going. Oh, and Chair, sorry, this is for you too, I guess, you guys also rightly have a - not a fear, but a deep respect for the cybercrimes and the abilities that they have, and to me, that's quite a tightrope you seem to be walking and all banks seem to be doing it. There's a fear and concern for it on one hand, but a hurtling towards this digital transformation at the same time.

I worry that it's a risk that we don't see coming yet and the ASX can't even get their announcements right all the time. You see these things happen all the time, every day. I was just wondering if you thought, with your risk experience, if the bank was on the right side of that risk analysis at the moment?

**Andrew Fraser:** So, thanks for the question. Again, I'll answer on behalf of all colleagues, recognising that the role of sitting at the Board table is one of collective responsibility and the Board is at one on this. So, we fully appreciate the circumstances that you're setting out here.

I can assure you from the Board's perspective that risk management is to the fore, that understanding the risk profile of everything that we do, from an operational level through to managing financial risk, through to every other dimension of risk occupies the Board's time as you would expect it does.

I take your point about the challenge of meeting the mark when it comes to digital transformation and meeting the challenge of cyber security issues. It's not an issue that is distinct or unique to BOQ, as I said in my earlier remarks. It's something where, in fact, we do collaborate with other financial institutions and with regulators to make sure that this is a shared endeavour to share information, to make sure that we have the shared intelligence.

Ultimately here, this is an effort that will be ongoing and enduring across all organisations and BOQ is no different, but please be assured, we're mindful of it.

**Moderator:** Chair, just reintroducing Michael Sanderson.

**Michael Sanderson: (Shareholder)** Welcome, Mr Riordan. Mr Riordan, you have spent decades running risk at CBA and NAB, banks that have paid record penalties for systemic risk and compliance failures.

BOQ itself is under AUSTRAC and APRA enforceable undertakings for serious anti-money laundering and counter-terrorism financing and risk management breaches. Why should shareholders endorse your election as Audit Chair? Would this just be entrenching the same risk failure culture?

**Andrew Fraser:** Thanks, Michael, and thanks for the question. The question before the meeting is for Paul's election formally to the Board. I can say to you that Paul brings a tremendous wealth of experience, as you pointed out in your own question, and his expertise in risk management is one that is particularly valuable at the Board table, if I think about the question that was just raised earlier.

Ultimately here, the matters that you have raised are ones that are well known in the public arena. Paul brings to the Board a deep expertise that we are grateful for him being willing to serve and looking forward to that continuing to be the case with the will of the meeting today.

**Michael Sanderson: (Shareholder)** Just a question, Chair. The term independence, it seems that the independent directors have form in the same game. Why aren't you going for somebody outside the club?

**Andrew Fraser:** Well, Michael, I think the best way I can answer that question is, to the very best of my knowledge, I don't think Paul and I are a member of any club that's the same.

**Michael Sanderson: (Shareholder)** Yes, well, okay. Thank you.

**Andrew Fraser:** Thank you.

Are there any online questions?

**Moderator:** Yes, Chair, we have one question from Stephen Mayne. BOQ has a history of poor treatment of retail shareholders in capital raisings, most notably with the rushed \$1.35 billion raising in 2021. The \$350 million institutional placement component was too large and the \$1 billion entitlement offer was not renounceable with no ability for retail holders to apply for shortfall shares. The \$682 million retail offer finished \$274 million short, partly because it was only open for eight business days.

As the newest director, could Paul Riordan summarise his view on how retail shareholders should be treated in capital raisings?

**Andrew Fraser:** Thanks for the question, Stephen, and again, I'll answer on behalf of all colleagues because it is a shared understanding and a shared responsibility at the Board table. I don't think it's useful for me to reverse back in time to matters which were well known and well litigated in the public arena and indeed, at previous AGMs. But to answer the question about how we consider the interests of retail shareholders, it's the same as we consider the interests of all shareholders across our register.

As I pointed out in my opening remarks, this is a bank that is committed to providing a sustainable future, to provide a pathway for a profitable bank, and that's in the interests of all shareholders and indeed, everyone who works for the bank and everyone else who has a stake in the bank.

**Moderator:** Chair, just re-introducing Noel Ambler.

**Andrew Fraser:** Sure.

**Noel Ambler: (Australian Shareholders' Association, Representative)** Thank you again, Chair. Just reiterating a policy of the ASA is we love to have the directors having skin in the game. I guess you know I'm going to ask you. Have you got a plan to have your shareholding increased? Just help you along a little bit, the ASA, our policy is to give you three years to have your annual fees in shares. Can he answer that one or you'll take it for him?

**Andrew Fraser:** Thanks, Noel. Yes. Paul and I had this conversation very recently and the answer is yes.

**Noel Ambler: (Australian Shareholders' Association, Representative)** Good news.

**Moderator:** Chair, I'm reintroducing Mr Rad Piljik, a shareholder.

**Rad Piljik: (Shareholder)** I just woke up, and one of the questions I asked Patrick about disclosing the number of people voting on a resolution, I woke up and noticed that you were doing it. Are you showing the number of holders that actually voted on the resolution, which a lot of companies avoid?

The only other question I have to ask, will the holders' number be presented to the ASX as such, as a standard sort of paperwork? So, I'm paying a compliment for once, instead of having a go at you.

**Andrew Fraser:** Thanks. I should say thanks for waking up as well. Welcome back. We'll make our disclosures in accordance with the same format, but appreciate your positive feedback. Thanks.

**Noel Ambler: (Australian Shareholders' Association, Representative)** So, the holders' number won't be aligned with what Patrick saw TAB did?

**Andrew Fraser:** No.

**Moderator:** Chair, just introducing shareholder, Craig Caulfield.

**Craig Caulfield: (Shareholder)** Good morning. Two questions, please. First question is in relation to the regulators. I did read through the Annual Report, but I'm seeking some more granularity on AFCA and ASIC. What is the update with AFCA? Sorry, APRA and ASIC.

**Andrew Fraser:** Sure. So, as we set out in the Annual Report, we obviously continue to work very closely with APRA and with ASIC and indeed, with all our regulators. We have, as is well known, live two remedial action plans which are the response to the two court enforceable undertakings that we have specifically with APRA and with AUSTRAC. As I said in my earlier remarks, those are multiyear programs and we're 44% of the way through those activities. We continue to be entirely diligent about making sure that we work our way through those specific undertakings with those two regulators, and those processes are subject also to independent oversight for the bank in relation to those programs.

When it comes to ASIC, as we've detailed in the Annual Report, we've also undertaken to them to undertake a program of work. Again, that has an independent oversight which we've set out in the Annual Report. I would say that we are working constructively, diligently and openly and transparently with all of our regulators.

We believe that to provide for a pathway for the bank to the future, we need to be a compliant bank, a well-managed bank, a bank that's aware of its compliance obligations and in relation to those and all regulators, we're very determined to do that.

**Craig Caulfield: (Shareholder)** Oh, that's excellent. Is there any class actions at the moment against BOQ at all?

**Andrew Fraser:** I'm not aware of any class actions that are before BOQ at the moment.

**Craig Caulfield: (Shareholder)** No, okay. As you're new in the chairmanship, could I ask you to look over the Sanderson case? It's a long-standing case. BOQ considers that they've covered it, but the Sanderson family never missed a payment. They've asked for a mediation and that mediation has been refused. It's a simple request.

**Andrew Fraser:** Thank you. We consider that that matter is at a close.

**Craig Caulfield: (Shareholder)** Yes, I'm not happy with that, but I think it needs more investigation there. Thank you.

**Andrew Fraser:** Thank you.

I might check if there's any questions on the line.

**Moderator:** No more questions for this item.

**Andrew Fraser:** Thank you. If there's no more questions, then I'll put the resolution in Item 4 to elect Mr Riordan as a Director to the meeting. So, displayed on the screens behind me, watching Rad, are the details of the proxies received in relation to this item. Please now record your vote on your voting card.

Shareholders, we'll move now to Item 5, which is the election of a non-Board-endorsed external nominee as Director, Mr Stephen Mayne. The biographical details of Mr Mayne are set out in the Explanatory Statement that accompanied the Notice of Meeting.

On 8 October 2025, Mr Mayne purchased 65 BOQ shares and has nominated himself for the position of Director on 14 October 2025 on the platform set out in the Notice of Meeting.

Shareholders, the Board recommends that shareholders vote against the resolution in Item 5. If the resolution in Item 5 is approved, Mr Mayne's election as a Director would only become effective if he satisfies the standard requirements of the Company for director candidates and also meets the associated regulatory requirements.

Is there anyone who wishes to ask a question in relation to this item of business?

**Moderator:** Chair, just introducing Michael Sanderson.

**Michael Sanderson: (Shareholder)** I'm a bit confused here. Chair, the Board says it values independence and diversity. Yet, it refuses to endorse Stephen Mayne. Is that because he's an outsider, would generally enhance the Board diversity and cannot be relied upon to be a sycophant?

**Andrew Fraser:** No.

**Michael Sanderson: (Shareholder)** Can you fill us in why the Board doesn't endorse him?

**Andrew Fraser:** So, the Board has a policy here on independence, but the Board also has a clear responsibility to make sure that we recruit to the Board the skills and experience that we believe are appropriate for BOQ today and into the future. As I said in my earlier remarks, we don't believe that Mr Mayne brings that at this time, but I also acknowledged his work and advocacy on behalf of shareholders. But at this time, we certainly believe that the skills and competencies required around the Board table mean that we do not endorse Mr Mayne's election to the Board at this AGM.

**Michael Sanderson: (Shareholder)** So you're saying Mr Mayne is incompetent?

**Andrew Fraser:** I didn't say that at all, Mr Sanderson.

**Michael Sanderson: (Shareholder)** You said competency.

**Andrew Fraser:** That's question three. I gave you my answer and I think it was fulsome.

**Michael Sanderson: (Shareholder)** Well, it's one of the same question. But anyway, thank you.

**Andrew Fraser:** Thank you.

**Moderator:** Chair, just introducing George Baumber.

**George Baumber: (Shareholder)** Thank you, Mr Chairman. I also would like to know why the Board rejected his nomination. Obviously, we have people that have been on the Board for quite some time. The performance has been abysmal over the last five to 10 years, and we're sticking with these people. Why don't we have somebody that has some fresh ideas that might bring some inspiration to the Company that can drive the Company a bit further forward? The track record that we've seen the last number of years from the Board that we've got is appalling. Thank you.

**Andrew Fraser:** Thanks, George. The first point I would make is that as we stand here today, three of the six Directors of the Board have joined the Board since January 2024. So, it is the case that there is a mix of longer-standing directors, but also newer directors. And what I can say to you all is that to a person, each of the directors fully understands their responsibilities to shareholders. I've made that point on a number of occasions today. Fully appreciates that we need to change for the future. That point's been set out in some detail today.

I can say to you that with the appropriate mix of skills, experience, perspective and a diversity of views, a diversity of opinion, that the Board has the skills and capability to guide to the future and will be judged on that record in the future.

Are there any online questions on this item of business?

**Moderator:** There are no online questions for this item.

**Andrew Fraser:** Thanks, shareholders. Given there are no more questions, I'll now put the resolution in Item 5, to elect Mr Mayne as a Director, to the meeting. Displayed on the screens behind me are details of the proxies received in relation to this item. So, if you could please now record your vote on your voting card.

Shareholders, that takes us through to Item 6. Item 6 is an ordinary resolution which relates to the grant of securities to Mr Patrick Allaway, the Managing Director and Chief Executive Officer, as part of his FY26 long-term variable reward. The terms and conditions attaching to the securities are outlined in detail in the Explanatory Statement accompanying the Notice of Meeting.

Is there anyone who wishes to ask a question in relation to this item of business?

**Moderator:** Chair, just introducing Michael Sanderson.

**Michael Sanderson: (Shareholder)** I've got two for this one, that's two.

**Andrew Fraser:** Yes.

**Michael Sanderson: (Shareholder)** One more than one. Chair, we are to grant Patrick Allaway \$1.5 million of no cost to him performance rights equal to 100% of his fixed pay. BOQ is still operating under APRA and AUSTRAC enforceable undertakings, and only about half of the remedial action plans have independent assurance.

Why should shareholders lock in this four-year equity award now rather than insist on full delivery of those undertakings and clear lift in absolute shareholder returns are achieved before any more securities are granted to the CEO?

**Andrew Fraser:** Thanks, Michael. A couple of points to make. One is that the item before you is subject to the hurdles that are set out being met. So, the grant will only be made where, in fact, shareholder returns meet the mark and meet the hurdles that are set in the grant of these awards.

Secondly, it is not the case that only half of our remedial action plans are subject to independent oversight. The entirety of those programs is subject to independent oversight, but for clarity, I mentioned that we're 44% of the way through that program of work.

Finally, to say this, in terms of the award that's made, to the extent that any issues emerge in relation to risk management of a material nature, then the Board has capacity to not make that award or indeed, to exercise both malus and claw-back. That's an appropriate and standard operating rule that exists across our entire remuneration framework.

**Michael Sanderson: (Shareholder)** Okay. My final question, the end all over. Mr Allaway, you told viewers on national television it was not relevant that you banked with Westpac. With respect, if the chef eats next door, customers notice. This bank sold my farm despite never missing a payment with the means to clear the debt. So, I understand why trust matters.

If BOQ is not good enough for you, Mr Allaway, why should it be good enough for us? What exactly is missing at BOQ that makes Westpac your choice? Can you spell out the gaps so the Board can fix them? Would it be prudent for BOQ shareholders to follow your lead and sell BOQ and buy Westpac?

**Andrew Fraser:** Thanks, Michael. Let me say this, which is, you can see in our disclosures that Patrick is a shareholder of the bank. He has been a shareholder of the bank both as a Non-Executive Director and as Chair and also then in his role in an executive capacity.

Patrick is invested in BOQ and he's invested in BOQ beyond being a shareholder in my judgement. I observe of Patrick someone who has committed an enormous amount of effort and leadership capability to help drive the bank to the position it is today; to drive the bank to the future and to create a platform for future success and I take this opportunity to recognise his leadership.

**Michael Sanderson: (Shareholder)** The question was why isn't his mortgage with BOQ?

**Andrew Fraser:** I've answered your question.

**Michael Sanderson: (Shareholder)** No, you haven't, but that's fine.

**Moderator:** Chair, just reintroducing George Baumber.

**George Baumber: (Shareholder)** Thank You, Mr Chairman. As I said before, the performance of the bank has been abysmal. I mentioned to you earlier that the profit had gone down 70% in four years, according to the ASX website. I checked last night, so I'm talking fact. We have people that are paid big money to do a job. Why do we need to give them more incentive?

As I mentioned to you before, the ratio of pay for the CEO of the CBA was 0.07% of their profit. Mr Allaway got 0.56% of the profit of the Bank of Queensland for his incentives in '25. More of this incentive should be going to the shareholders that are supporting the Company.

You go with a rights issue, you want to raise capital, you go to the shareholders. They're the ones that are putting up the money. They're the ones that should be rewarded, not these people that are incompetent and doing a very poor job the way that the Company has performed over the last number of years.

You'll make excuses about this technology, what the Board did in previous years that you had to compensate for and you had to build up. It's all very well to blame other people, but you've been in this position for quite some time. As I said, profit went down 70% in four years. Totally undeserved, the amount of money that he's already being paid and to want to give him more rights is ridiculous and an insult to the shareholders. Thank you.

**Andrew Fraser:** Thanks, George, for your comment. I would just reiterate that this is an award that will only be made if the financial and non-financial hurdles set out in the award are met, and those are arrangements which are in alignment with building value for shareholders and delivering returns to shareholders. So, this is something which applies to the long-term performance and would only vest and only be awarded to Patrick if those hurdles have been agreed, and those are completely in alignment with the interests of shareholders into the future.

**George Baumber: (Shareholder)** But you did say, he's already a shareholder, so is getting a double-dip.

**Andrew Fraser:** So, Mr Allaway purchased shares when he was a Director, and I also am just going to check, I'm pretty sure you bank with BOQ as well.

**Patrick Allaway:** I do.

**Andrew Fraser:** Patrick does also bank with BOQ, so there we go.

Are there any online questions on this item?

**Moderator:** Sorry, there are no online questions for this item.

**Andrew Fraser:** Thank you. So, given there are no more questions, I'll now put the resolution for the grant of securities to the Managing Director and Chief Executive Officer, Mr Patrick Allaway, on the terms set out in Item 6 to the meeting. The Company will disregard any votes cast on Item 6 consistent with the voting restrictions set out in this item in the Notice of Meeting.

Shareholders, the Board, with Mr Allaway abstaining, recommends that shareholders vote in favour of this resolution. Once again, displayed on the screens are the details of the proxies received in relation to Item 6. If you could please record your vote on your voting card.

Shareholders, this completes the business of today's meeting as set out in the Notice of Meeting. But before I close, are there any general questions from the floor?

If not, let me check if there's any online questions.

**Moderator:** Thank you, Chair. We have five questions online currently. The first two are from Stephen Mayne. Congratulations to Andrew Fraser on being appointed Chair. It is unusual for former politicians to reach such heights. Has Andrew spoken to any other politicians who've achieved this, including Peter Costello at Nine, Robert Hill at Viva Energy, Mark Vaile at Whitehaven or even Nick Greiner or the late Wayne Goss about the challenges of being a non-executive public company chair with no opposition as

opposed to being a full-time executive director member of cabinet, as you were when serving as Treasurer of Queensland?

**Andrew Fraser:** I haven't spoken to any of those people.

**Moderator:** Thank you, Chair. The second question is also from Stephen Mayne. BOQ is running a premature AGM because nominations for the Board closed on October 14, but you only released the full-year results on October 15. Shareholders should be informed how the directors have performed for the year before nominations close and the Board should undertake to delay future AGMs, as very few public companies do this. Will the Chair undertake to slightly delay next year's AGM so that Board nominations close after the 100,000 shareholders are informed about the performance of the incumbent directors?

**Andrew Fraser:** Thank you for the question. A couple of points to make. One is that the meeting's been convened and nominations have been open and the process has been conducted in accordance both with the Corporations Act, with the regulations that apply to us, the listing rules that apply to us and also BOQ's Constitution that provides the opportunity for people to nominate to be a director on the Board, just as Mr Mayne himself has done today. So, therefore, I think that opportunity is obviously there and is in evidence today.

**Moderator:** Thank you, Chair. The next few questions are from Rita Mazalevskis. What were remediation costs to customers for financial crimes in the last financial year?

**Andrew Fraser:** So, we've set out in our accounts the provision that we've taken for the programs of both the remedial action plans in relation to our court-enforceable undertakings with both AUSTRAC and APRA, and that provision is set out in the accounts.

**Moderator:** Thank you, Chair. Where are BOQ's technology systems located, including those which should protect BOQ's customers? Are they in-house or through external third parties? If third parties, are they in Australia or offshore? If offshore, how does BOQ monitor compliance of third parties using BOQ customer information and protection of customer accounts?

**Andrew Fraser:** So, we have a combination of different technology assets and different methods for storing and securing the data for BOQ that is both in-house but also through third parties. Where those third parties either exist in Australia or internationally, then we have appropriate contractual arrangements with them.

We also have compliance here with the Prudential Standard, which is CPS 230, which ensures that we've got a level of oversight with any third-party provider, whether technology or otherwise, and we also meet the requirements and regulations that are set in Australian law where data needs to be kept in Australia. We comply with those laws.

**Moderator:** Thank you, Chair. We have one final question online. It is also from Rita Mazalevskis. Does BOQ or any of its subsidiaries revisit customer due diligence requirements frequently for BOQ customers under BOQ's AML/CTF program to assess any change in the customer's position or risk posed to BOQ.

**Andrew Fraser:** So, we do undertake those re-verification processes in accordance with a program of work. This is obviously key to ensuring that identity is both established at the first point of interaction, but re-establish or verified, as is the term used, and we do that in accordance with our obligations under the AML/CTF Rules.

**Moderator:** Thank you, Chair. There are no further questions online.

**Andrew Fraser:** Shareholders, thank you. If there's no further business, we ask that you place your voting card in one of the ballot boxes at the back of the room or held by a representative from MUFG after the meeting has concluded. Should you have any questions about how to record your vote, please also ask one of the MUFG attendants.

The poll will close in 15 minutes, at which point, the meeting will be closed and results of Items 2 to 6 will be notified in accordance with the Corporations Act and will also be placed on the Company's website as soon as they've been verified.

On behalf of the Board and the Company, I'd like to thank you for your attendance here today and I now declare this meeting closed, subject to the finalisation of the poll on Items 2 to 6.

Thank you for your attendance.

**END OF TRANSCRIPT**