

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Bank of Queensland Limited (ASX:BOQ)
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ABN/ARBN

32 009 656 740
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Financial year ended:

31 August 2020
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Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: <https://www.boq.com.au/About-us/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 14 October 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 14 October 2020

Name of authorised officer  
authorising lodgement:

  
 Fiona Daly

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.



## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> on pages 2, 4, 5 & 6 and we have disclosed a copy of our board charter at: <a href="https://www.boq.com.au/About-us/corporate-governance">https://www.boq.com.au/About-us/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/> on page 5 & 8	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/> on page 5 & 8	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/> on page 6	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> on page 13 &amp; 14</p> <p>and we have disclosed a copy of our diversity policy at: <a href="https://www.boq.com.au/About-us/corporate-governance">https://www.boq.com.au/About-us/corporate-governance</a></p> <p>and we have disclosed the information referred to in paragraph (c) in our Corporate Governance Statement on page 13</p> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period, see our Corporate Governance Statement on page 13.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> on page 7</p> <p>and we have disclosed the evaluation process referred to in paragraph (a):</p> <p>in our Corporate Governance Statement on page 7</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process:</p> <p>in our Corporate Governance Statement on page 7</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8</p> <p>and we have disclosed the evaluation process referred to in paragraph (a):</p> <p>in our Corporate Governance Statement on page 8</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process:</p> <p>in our Corporate Governance Statement on page 8</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> on page 5</p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.boq.com.au/About-us/corporate-governance">https://www.boq.com.au/About-us/corporate-governance</a></p> <p>Bank of Queensland Nomination &amp; Governance Committee Charter and the information referred to in paragraphs (4) and (5) at: <a href="https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report">https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report</a></p> <p>Bank of Queensland Limited Directors' Report, contained on pages 59-63 of the 2020 Annual Report:</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> on page 7</p> <p>and we have disclosed our board skills matrix: in our Corporate Governance Statement on page 7</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> on page 8</p> <p>and we have disclosed the names of the directors considered by the board to be independent directors at:</p> <p>Bank of Queensland Limited Directors' Report, contained on pages 59-63 of the 2020 Annual Report:  <a href="https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report">https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report</a></p> <p>and, where applicable, the information referred to in paragraph (b):</p> <p>in our Corporate Governance Statement on page 8</p> <p>and the length of service of each director at:</p> <p>Bank of Queensland Limited Directors' Report, contained on pages 59-63 of the 2020 Annual Report:  <a href="https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report">https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/> on page 8	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/> on page 5	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> on page 8	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> on page 2 and we have disclosed our values: in our Corporate Governance Statement on page 2	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> on page 11 and we have disclosed our code of conduct at: <a href="https://www.boq.com.au/About-us/corporate-governance">https://www.boq.com.au/About-us/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> on page 11 and we have disclosed our whistleblower policy at: <a href="https://www.boq.com.au/About-us/corporate-governance">https://www.boq.com.au/About-us/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> on page 11 and we have disclosed our anti-bribery and corruption policy at: <a href="https://www.boq.com.au/About-us/corporate-governance">https://www.boq.com.au/About-us/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/> on page 5</p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.boq.com.au/About-us/corporate-governance">https://www.boq.com.au/About-us/corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: <a href="https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report">https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report</a></p> <p>Bank of Queensland Limited Directors' Report, contained on pages 59-63 of the 2020 Annual Report:</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/> on page 10</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/> on page 10</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> on page 11 and we have disclosed our continuous disclosure compliance policy at: <a href="https://www.boq.com.au/About-us/corporate-governance">https://www.boq.com.au/About-us/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/> on page 11	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/> on page 11	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> on page 15 and we have disclosed information about us and our governance on our website at: <a href="https://www.boq.com.au/About-us/corporate-governance">https://www.boq.com.au/About-us/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> on page 15	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> on page 15 and we have disclosed how we facilitate and encourage participation at meetings of security holders: in our Corporate Governance Statement on page 15	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/> on page 15	<input type="checkbox"/> set out in our Corporate Governance Statement

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6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> on page 15	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/> on page 5</p> <p><i>[If the entity complies with paragraph (a).]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.boq.com.au/About-us/corporate-governance">https://www.boq.com.au/About-us/corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: <a href="https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report">https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report</a></p> <p>Bank of Queensland Limited Directors' Report, contained on pages 59-63 of the 2020 Annual Report:</p> <p><i>[If the entity complies with paragraph (b).]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> on page 9</p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: <a href="https://www.boq.com.au/About-us/corporate-governance">https://www.boq.com.au/About-us/corporate-governance</a></p>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/> on page 10</p> <p><i>[If the entity complies with paragraph (a).]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs:</p> <p>in our Corporate Governance Statement on page 10</p> <p><i>[If the entity complies with paragraph (b).]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/> on page 9</p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p><a href="https://www.boq.com.au/Shareholder-centre/sustainability">https://www.boq.com.au/Shareholder-centre/sustainability</a></p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p><a href="https://www.boq.com.au/Shareholder-centre/sustainability">https://www.boq.com.au/Shareholder-centre/sustainability</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> on page 5</p> <p><i>[If the entity complies with paragraph (a).]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.boq.com.au/About-us/corporate-governance">https://www.boq.com.au/About-us/corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: <a href="https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report">https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report</a></p> <p>Bank of Queensland Limited Directors' Report, contained on pages 59-63 of the 2020 Annual Report:</p> <p><i>[If the entity complies with paragraph (b).]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> on page 14</p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: <a href="https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report">https://www.boq.com.au/Shareholder-centre/financial-information/Annual-Report</a></p> <p>Bank of Queensland Limited Remuneration Report, contained on page 68-81 of the 2020 Annual Report:</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	<input checked="" type="checkbox"/> on page 12 and we have disclosed our policy on this issue or a summary of it at: <a href="https://www.boq.com.au/About-us/corporate-governance">https://www.boq.com.au/About-us/corporate-governance</a> Securities Trading Policy	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement

2020  
CORPORATE  
GOVERNANCE  
STATEMENT

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## INTRODUCTION

Bank of Queensland (**BOQ**) is committed to high standards of governance. We believe this is key to our ability to deliver on our purpose and strategy. During the year we refreshed our purpose and values which sits at the core of our culture.

Creating prosperity for our customers, shareholders and people through empathy, integrity and by making a difference.

<b>Empathy</b>	<ul style="list-style-type: none"><li>• We strive always to do what is right, to speak up and to do what we say we will do</li><li>• We establish clear standards and hold ourselves and others accountable to them</li><li>• We have the courage to admit and learn from our mistakes and empower others to do the same</li></ul>
<b>Integrity</b>	<ul style="list-style-type: none"><li>• We are curious and interested in the perspectives of others including customers and colleagues</li><li>• We seek to understand what others are feeling, experiencing and show we care</li><li>• We work to suspend judgement and assumptions as we actively listen to other perspectives</li></ul>
<b>Make a difference</b>	<ul style="list-style-type: none"><li>• We are bold and take reasonable risks to create prosperity</li><li>• We use our insights to create great experiences and outcomes for our customers and our people</li><li>• We focus on continually improving the way things are done</li><li>• We achieve together and celebrate the positive impact we create</li></ul>

Our purpose and values are core to who we are and how we need to operate in the future. We believe that an inclusive culture with empathy and integrity, that values making a positive difference, is essential to creating long-term value for our customers, shareholders and our people. BOQ's Board and Management both play an important role in setting the cultural tone. The Board works with Management, and guides BOQ's culture through the Executive Leadership Team and our [Code of Conduct](#). The Board also monitors our culture through surveys, audits, compliance and whistleblower reports and various other sources on an ongoing basis.

This 2020 Corporate Governance Statement outlines key areas of our governance framework that includes:

- an experienced and independent Board, supported by Board committees
- clear separation in the roles of Board and Management
- timely disclosures
- a risk management framework which is reviewed regularly for fitness and efficacy

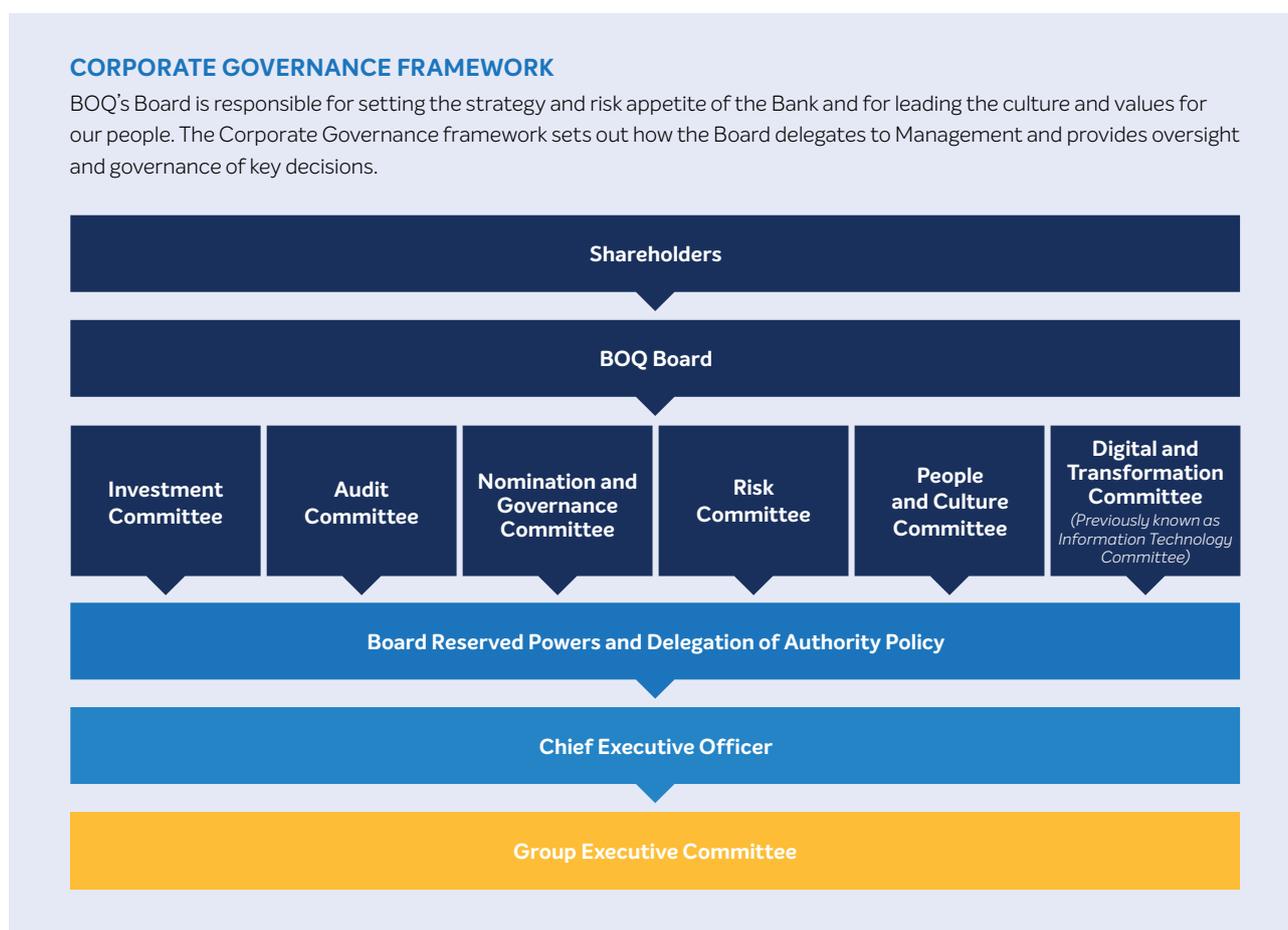
This statement meets the requirements of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (CGPR) and the Australian Prudential Regulation Authority (APRA) Prudential Standard CPS 510 Governance. Our activities are also subject to industry codes of practice such as the Australian Banking Association Banking Code of Practice.

The Board regularly reviews and refines its corporate governance arrangements to consider their appropriateness. This includes incorporation of new laws and regulation, evolving stakeholder expectations and the volatile environment in which we all presently operate. More information on BOQ's Constitution, Board and Committee Charters and key corporate governance policies are available on our [website](#).

The Statement has been approved by the Board and is current as at 14 October 2020.

### Corporate Governance Framework

BOQ aims to ensure that the corporate governance framework, policies, and practices deliver a high standard of corporate governance. BOQ's corporate governance framework is outlined below.



### Our Strategy

BOQ introduced a refreshed strategy in February 2020 aimed at delivering an exceptional customer experience with specialised bankers and to increase long term shareholder value. The strategy contains five clear strategic priorities focused on customers, people, and shareholders.

# THE BOARD

## Members of the Board

BOQ's Board is comprised of seven Non-Executive, independent Directors (including independent Chair, Patrick Allaway) and one Executive Director – our Managing Director & CEO, George Frazis. Currently three of our directors are female and five are male. Biographies of our Directors, including their qualifications, experience and length of service can be found on our [website](#).

The roles of the Chair and the CEO are separate. Patrick Allaway has been Chair since October 2019 having been appointed to the Board in May 2019. George Frazis has been CEO since 5 September 2019.

Over the 2020 financial year, there were several changes to our Board. These were planned retirements and demonstrate ongoing succession planning. In October 2019, Roger Davis retired from the Board as the Chair after 11 years of service. On 10 December 2019, David Willis retired from the Board after almost 10 years of service, and Warwick Negus assumed the position of the Chair of the Human Resources and Remuneration Committee. On 8 April 2020, Richard Haire retired from the Board after 8 years of service. At the conclusion of the 2020 Annual General Meeting Michelle Tredenick will retire after three terms on the BOQ Board, as announced to the market on 24 September 2020. The Board thanks these Directors for their service and contribution to BOQ.

## The Role of the Board and Management

The role of the Board is to set BOQ's strategic direction, risk appetite and cultural expectations through the Code of Conduct. The Board's responsibility is to effectively oversee the prudent and effective management of BOQ in a manner that ensures effective governance and supports the achievement of our strategy whilst driving actions that lead to better outcomes for customers, shareholders and our people.

The Board has adopted a [Board Charter](#) which details the roles and responsibilities of the Board and of Management including those matters expressly reserved to the Board and those delegated to Management.

The responsibilities of the Board include, without limitation:

- approving BOQ's strategy and direction, including monitoring and reviewing Management's implementation and performance against strategic, financial and operational plans
- monitoring the effectiveness of BOQ's corporate governance practices
- overseeing the establishment of appropriate risk management systems
- setting BOQ's risk appetite having consideration for the material issues identified by our stakeholders and by monitoring BOQ's risk culture
- overseeing BOQ's financial position and the integrity of its financial and corporate reporting systems
- establishing Board Committees as required (some of which are in addition to those required by the ASX)
- overseeing regulatory compliance
- overseeing culture, values and conduct, and ensuring that the BOQ Group observes appropriate ethical standards
- approving BOQ's security holder reporting
- approving and overseeing the process for complying with BOQ's continuous disclosure obligations
- the appointment of the MD & CEO and reviewing succession plans for the MD & CEO
- reviewing the performance of the MD & CEO and overseeing the performance of the senior executive reporting directly to the MD & CEO and any other Responsible Person
- empowering management, combined with appropriate constructive challenge and accountability
- compliance with the ASX Listing Rules and CGPR
- establishing transparent, measurable objectives to achieve BOQ's objectives for diversity and inclusion

Certain powers have been delegated to the MD & CEO, together with the Group Executive team, who are responsible for the day to day management of BOQ, developing and implementing BOQ's strategy, and for operating within the risk appetite that has been approved by the Board.

Group Executives are also responsible for providing the Board with accurate, timely and clear information to enable the Board to perform its role. The MD & CEO and Group Executives operate in accordance with the delegations as set out in the Board Charter and Delegations Framework.

Group Executives are expected to have the qualifications and industry experience necessary to perform the duties and responsibilities that their role requires, and to maintain those qualifications and experience while they remain in their role. They are also formally assessed under BOQ's Fit & Proper Policy on appointment and annually. Further, BOQ undertakes extensive background and screening checks prior to appointing Group Executives.

BOQ has a written agreement with each of its Group Executives which sets out the contractual terms of their employment.

In implementing the Banking Executive Accountability Regime (BEAR), individual Accountability Statements have been developed and are maintained and regularly reviewed for the BOQ Group's Accountable Persons. These Accountability Statements contain a statement of each Accountable Persons' individual responsibilities and an acknowledgement of those accountability obligations.

### The Chair

The role of the Chair is to establish and maintain an effective working relationship with the Board and Management in order to ensure that the Board fulfils its role under its Board Charter. The role and responsibilities of the Chair are set out in the Board Charter. The Board Chair is an independent Non-Executive Director elected by the Board. Patrick Allaway was appointed a Director of BOQ in May 2019 and as Chair in October 2019. Patrick Allaway also chairs the Nomination & Governance Committee and the Investment Committee and is a member of all other Board Committees.

### Board Committees

BOQ has five principle Board Committees as outlined below:

Committee	Chair	Composition
Audit Committee	Karen Penrose	The Audit Committee must have: <ul style="list-style-type: none"> <li>• three independent Non-Executive Directors (NEDs).</li> <li>• an independent NED as Chair who is not Chair of the Board or the Risk Committee</li> </ul>
Risk Committee	Bruce Carter	The Risk Committee must have: <ul style="list-style-type: none"> <li>• three independent NEDs.</li> <li>• an independent NED as Chair who is not Chair of the Board or the Audit Committee.</li> </ul>
People, Culture and Remuneration Committee (formerly the Human Resources and Remuneration Committee)	Warwick Negus	The People, Culture and Remuneration Committee must have: <ul style="list-style-type: none"> <li>• three independent NEDs.</li> <li>• an independent NED as Chair who is not Chair of the Board or the Risk Committee</li> </ul>
Nominations and Governance Committee	Patrick Allaway	The Nominations and Governance Committee must have: <ul style="list-style-type: none"> <li>• a minimum of three independent NEDs</li> <li>• All Committee members must be NEDs</li> <li>• The Chair of the Board is the Chair of the Committee except when dealing with the appointment of a successor to the Chair of the Board.</li> </ul>
Information Technology Committee	Michelle Tredenick	The Information Technology Committee must have: <ul style="list-style-type: none"> <li>• three independent NEDs.</li> <li>• an independent NED as Chair</li> </ul>

Each committee has its own charter describing its role and responsibilities. Details of the committees including each committee charter can be found on our [website](#).

As part of the Board's ongoing review of governance effectiveness, the following changes were made to the mandates of two of the Board's committees during FY20:

- the Information Technology Committee has evolved to focus increasingly on the transformation of the business, supported by Information Technology (and our people and processes). The Information Technology Committee supports the Board in overseeing the delivery of the transformation agenda, including significant projects and the risk management and security framework of our Information Systems.
- The HR and Remuneration Committee mandate was expanded to include focus on talent management, culture, diversity and remuneration. To reflect this change, the committee has been renamed the People, Culture and Remuneration Committee. The People, Culture and Remuneration Committee assists the Board in supporting management to shape our culture and to achieve our desired outcomes including inclusion and diversity, overseeing key initiatives to build talent, capability, and bench strength, as well as setting our remuneration policies and practices and overseeing our remuneration reporting obligations.

The Board has also established an Investment Committee which may be convened by the Board as required to consider significant capital projects or investments. As the purpose and mandate of the Investment Committee is determined by the Board as the case requires, the Committee does not have a separate Charter.

The Board also establishes ad hoc Committees from time to time.

Details of the Board's Committees, including the current members of each Committee and the number of meetings held during FY20 are contained in the Directors' Report in the [FY20 Annual Report](#) on pages 59–63. The Directors' Report also sets out a record of the individual attendances of members at meetings as at 31 August 2020 on page 63. The experience of those appointed to the Audit Committee are set out in the Directors' Report in the FY20 Annual Report on pages 60–62.

#### **Role of Company Secretaries**

The Board is responsible for appointing the BOQ Group Company Secretaries. The Board had two appointed Company Secretaries as at 31 August 2020. Profiles of BOQ's Company Secretaries can be found in the Director's Report on page 63 of the [FY20 Annual Report](#).

The Company Secretaries are accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

#### **Role of Managing Director and CEO**

The Board appoints the MD & CEO. The Board delegates to the MD & CEO, through the Delegation of Authority policy, the authority and responsibility to make decisions with the aim of achieving the approved strategies and financial objectives of the bank.

BOQ has a delegations of authority framework that clearly outlines those matters delegated to the MD & CEO and other members of senior management.

The MD & CEO is responsible for the leadership of the Executive Leadership Team which is made up of BOQs most senior executives. The members of the Executive Leadership Team are set out on our [website](#). The Executive Leadership Team meets regularly and is responsible for delivering BOQs purpose. It does this by focusing on key stakeholders, shaping culture and capability, prioritising effort and allocation of resources.

# BOARD PERFORMANCE

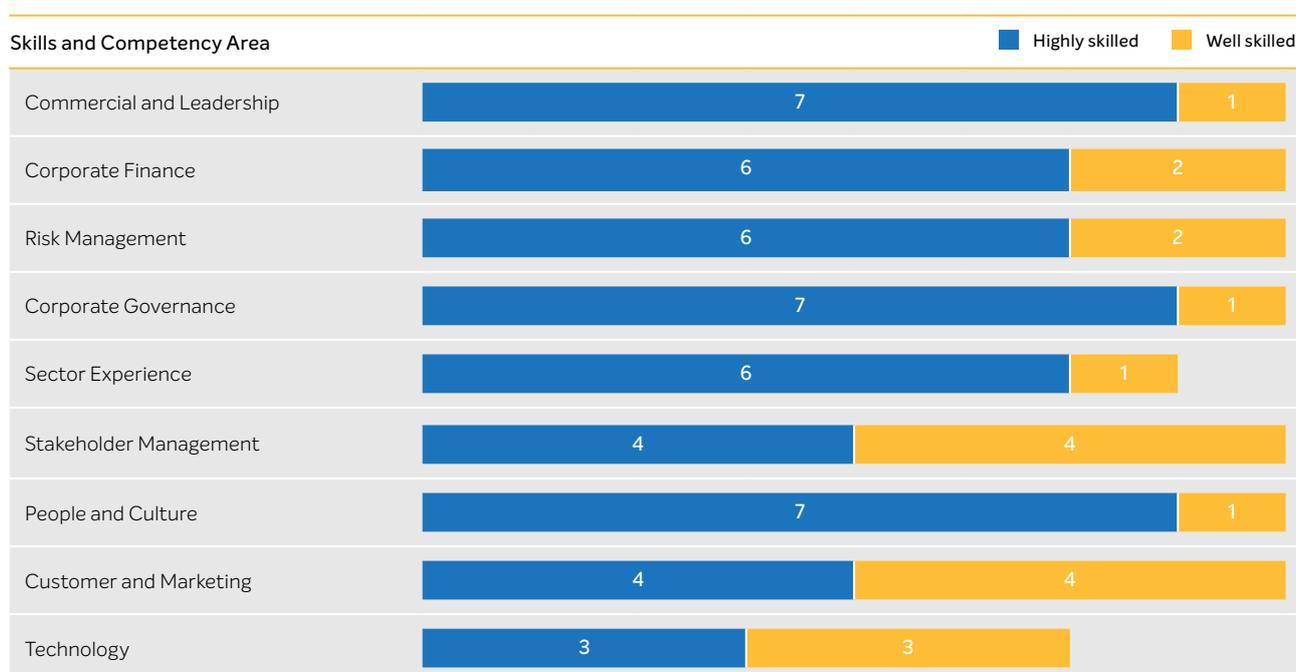
The Board is committed to continually improving its performance in order to be most effective and to fulfill its responsibilities. This requires the Board to ensure its members have a diverse range of skills and experience that reflect the breadth of the operations of BOQ's business and its future strategy.

## Board Skills Matrix

BOQ utilises a skills matrix to ensure the Board is future fit, to assist in identifying areas of focus, and to build and maintain an appropriate mix of skills and diversity in the Board's composition. The skills matrix is also used for succession planning and director development.

The Board Skills Matrix was updated in August 2020 and the Board members were assessed against this new matrix. An independent Board review was undertaken and assessed the Board members as highly skilled and experienced whilst highlighting the opportunity for further strengthening in the Board's technology and digital transformation skills. This insight has been incorporated in the Board's ongoing succession planning.

The Board Skills Matrix is set out below:



In addition to the "technical skills" of a Board member, the following considerations are undertaken by the Board in its succession planning:

1. Include individuals whose inherent thinking style differs from others on the Board who can challenge the status quo
2. Augment the range of industry experience among Board members with individuals from strategically relevant sectors
3. Prioritise the following attributes: emotional intelligence, empathy, trust, constructive challenge, listening, critical and analytical thinking, transparency, and intellectual curiosity

## Board Performance Evaluation

The Board recognises the importance of reviewing its own performance and that of its Board Committees to ensure ongoing development and to achieve and maintain a high level of performance. Under the Board Performance Review and Renewal Policy, which can be found on our [website](#), the Board evaluates its performance annually.

In addition, the Chair meets with each individual Director, at least annually, to discuss Board and Committee performance and the individual Director performance. In FY20, performance evaluations for the Board, its committees and Directors took place in accordance with this process.

In FY20, the Board again engaged an independent external facilitator to conduct an evaluation of the Board. The Board continues to review Board director development and Board and Committee succession plans.

## Group Executive Performance Evaluations

Management has a program of formal half and full year performance reviews for all employees. This commences with the annual setting of Key Performance Indicators (KPIs) by the MD & CEO for his direct reports at the start of the financial year. These KPIs are then cascaded down into individual KPIs for each employee.

A formal evaluation of each individual's performance against their KPIs is undertaken following the conclusion of the half year and the full financial year. The results of this process are then incorporated into the annual remuneration review.

A performance evaluation of the Group Executives was completed in respect of FY20. Further details are set out in the 2020 Remuneration Report.

## Directors' Induction Training and Continuing Education

BOQ delivers a formal induction program to assist and introduce all new Directors to the working environment of BOQ. As part of the induction, new Directors are provided with a detailed overview of BOQ's business operations, copies of all material policies and procedures, and information on the functions and responsibilities of the Board, Board Committees and Management. Meetings with members of the Group Executive team, and other senior managers are also held as part of the induction program.

On an ongoing basis, education sessions are provided to the Board on topical matters. Specific sessions are scheduled around Board meeting dates and BOQ provides other appropriate development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.

BOQ considers at least annually the need for existing Directors to undertake professional development to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

## Director Independence, Nomination, Appointment and Election

### Independence

The Board assesses a potential Non-Executive Director's independence prior to their initial appointment, on an annual basis, and as required, depending on disclosures made by individual Directors.

It is the responsibility of the Board to determine the independence of Directors in accordance with the [Policy on Independence of Directors](#). The Board has assessed the independence of all Non-Executive Directors and determined that all Non-Executive Directors remain independent. As such, no Non-Executive Directors have any relationship, interest or position that might influence, or be reasonably be perceived to influence, in a material respect their capacity to bring independent judgement to bear on issues before the Board and to act in the best interest of the entity as a whole rather than in the interests of any individual security holder or other party. Accordingly, the majority of the Board are independent Directors.

The Board Charter requires all Directors to bring an independent mind to bear on all matters coming before the Board for consideration. BOQ does not consider that the length of service on the Board of any of the independent Directors is currently a factor affecting the Director's ability to act independently and in the best interests of BOQ and its security holders. Nonetheless, the Board has set a maximum three term guideline. Any director who has served more than three terms will remain subject to the Board's annual assessment of director independence and BOQ will regularly assess their independence.

The tenure of all Board members is set out within the Directors' Report in the [FY20 Annual Report](#) on page 63.

### Appointment and Election

All new and existing Directors are subject to an assessment of their fitness and propriety to hold office, both at the time of initial appointment, under the Independence Policy and BOQ's Fit and Proper Policy, and on an ongoing basis. BOQ undertakes extensive background and screening checks prior to nominating a Director for election by shareholders, including checks as to character, experience, education, criminal record and bankruptcy history.

Information relevant to the election or re-election of directors at an Annual General Meeting (AGM), including their professional experience and all other material information relevant to a decision on whether or not to elect or re-elect a Director, is included in the Notice of Meeting distributed each year in advance of the AGM.

BOQ has formal letters of appointment in place with all Non-Executive Directors setting out the terms of their appointment.

# RISK GOVERNANCE

## Risk Committee

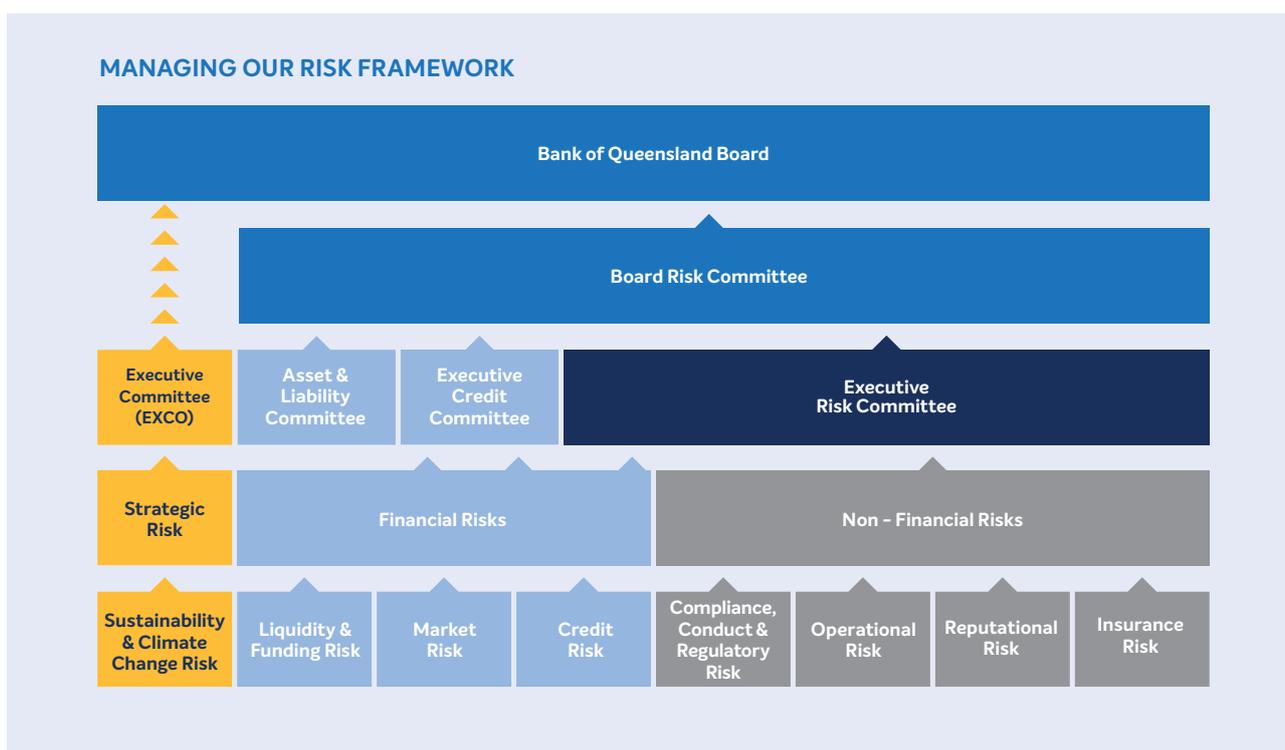
Risk management is critical to the long-term success of BOQ. The Board is responsible for approving BOQ's risk appetite, including the risk appetite statement and risk management strategy. This responsibility extends to overseeing that management establishes a sound risk management culture to enable effective risk management throughout the group. The Risk Committee assists the Board:

- by independently overseeing Management's implementation of the risk management framework and its related operation
- by talking a Group-wide view of BOQ's current and future risk position relative to the Group's risk appetite and capital strength
- in discharging its responsibilities for business, market, credit, equity and other investment, financial, operation, liquidity and reputational risk management and for the management of BOQ's compliance obligations
- by advising the Board on current and future risk appetite and risk management strategy.

The Chief Risk Officer is responsible for assisting the Chair of the Committee with the operation of the committee.

## Risk management framework

BOQ has an integrated Risk Management Framework in place to monitor and manage BOQ's risks. The Risk Management Framework is reviewed annually to ensure that the Risk Committee satisfies itself that it remains sound and that BOQ is operating with due regard to the risk appetite set by the Board. In FY20 the Risk Committee conducted such a review of the Risk Management Framework.



BOQ's day to day operations involves managing a range of material business risks. The following categories of risk have been identified as the material business risks of BOQ under its Risk Management Framework: credit risk; market risk; funding and liquidity; operational risk; compliance and regulatory risk; strategic risk; reputational risk; conduct risk; insurance risk; sustainability and climate change risk; secured funding; residual value risk; contagion risk; and interest rate risk in the Banking Book. The [FY20 Annual Report](#) outlines further information on our framework and actions taken to improve risk management during the year. During 2020 the Board constituted a COVID-19 Sub-Committee to address the specific risks raised by the COVID-19 pandemic.

## Material Exposure to Environmental and Social Sustainability Risks

BOQ continues to address social and environmental sustainability risks and is mindful of the increasing expectation for greater transparency to support investors assess investment risk. Refer to the FY20 Sustainability Report for further detail on BOQ's material exposure to environmental and social risks which were identified through the FY20 materiality assessment and how BOQ manages or intends to manage those risks.

# AUDIT AND FINANCIAL GOVERNANCE

## Internal Audit

BOQ's Internal Audit (**IA**) team is independent from management and is responsible for providing the Board and Management with an independent appraisal of the internal controls established by BOQ's first (business) and second (Group Risk) lines of defence. IA operates under a Board approved Charter. The outcomes of IA's work are reported through the Audit Committee and the Head of Internal Audit has a direct line of communication to the Chair of the Audit Committee, MD and CEO and the External Auditor. The Internal Audit plan is developed and reviewed in line with BOQ's overall risk appetite and Risk Management Framework. The Head of Internal Audit presents a report at each Audit Committee meeting covering major activities and findings, statistics on issued audit reports, and ratings and information about the IA function before proceeding to Board for approval.

## External Auditor

The role of the External Auditor is to provide an independent opinion that BOQ's financial reports are true and fair and comply with accounting standards and applicable regulations. The External auditor performs an independent audit in accordance with Australian Auditing Standards.

The Audit Committee pre-approves all audit, audit-related and non-audit services whether on an engagement basis or under a specific service pre-approved by the Committee, regularly reviews the independence of the External Auditor, and evaluates their effectiveness. Further information can be found in BOQ's [Auditor Independence Policy](#).

As required by the Corporations Act 2001, information about the non-audit services provided by the External Auditor, KPMG, is set out in the [Directors Report](#). The External Auditor attends the Annual General Meeting and is available to answer questions from security holders relevant to the audit.

## Financial Reporting and Management Declarations

The Board receives regular reporting from Management on BOQ's performance, including details of all key financial and business results.

Prior to approving BOQ's corporate reporting suite for the half year ended 29 February 2020 and full year ended 31 August 2020, the Audit Committee and Board received written declarations from the MD & CEO and the CFO & COO that, in their opinion:

- the financial records of the entity have been properly maintained; and
- the financial statements comply with appropriate accounting standards and give a true and fair view of BOQ's financial position and performance.

The MD & CEO and CFO & COO also declare that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

## Integrity of Corporate Reporting

BOQ conducts an internal verification process on all periodic corporate reporting. The process that is followed to verify BOQ's periodic reporting is based on the nature of the relevant report, its subject matter and where it will be published, adhering to the following general principles:

- periodic reporting is prepared by or under the oversight of the relevant subject matter expert for the area being reported on;
- the report should comply with applicable legislation or regulations; and
- the report should be reviewed with regard to ensuring it is not inaccurate, false, misleading or deceptive.

Non-audited sections of the Annual Report, Sustainability Report and Corporate Governance Statement are prepared by the relevant subject matter experts and reviewed by relevant BOQ Executives and senior managers prior to Board approval. ASX announcements (other than administrative announcements) are reviewed in accordance with BOQ's Market Disclosure Policy.

BOQ's external auditors provide recommendations for consideration to enhance reporting of non-financial performance measures.

BOQ has arrangements in place with its external auditors to review its APRA Basel III Pillar 3 Q2 and Q4 reports. BOQ's Q1 and Q3 APRA Basel III Pillar 3 reports are verified by the CFO & COO and Group Finance team.

# KEY POLICIES, COMMITMENT TO SHAREHOLDERS AND AN INFORMED MARKET

The Board regularly reviews BOQ's policy framework to ensure they are appropriate and contemporary and meet the needs and expectations of all stakeholders.

## Code of Conduct

BOQ's Code of Conduct is grounded in BOQ's purpose and values and provides all of our people with a set of guiding principles to help them make fair, balanced and ethical decisions every day. The Code of Conduct is clear in its expectations of Directors, Group Executives, employees, agents, contractors and owner-managers (and their employees and contractors). This includes acting with integrity, courtesy and respect. The Code of Conduct also covers conflicts of interest, privacy and confidentiality considerations. All our people receive periodic training in the Code of Conduct and there is on-going monitoring of conduct. In accordance with BOQ's Board Charter, material breaches of the Code of Conduct are reported to the Board. Further information can be found in BOQ's [Code of Conduct](#).

## Fit & Proper Policy

Due to BOQ's status as an Authorised Deposit-Taking Institution (ADI), it is required under APRA Prudential Standard CPS 520 Fit and Proper to maintain a Fit and Proper Policy which reflects the requirements of CPS 520.

BOQ's Fit and Proper Policy sets out the requirements that the BOQ Group must follow to assess the competencies and fitness for office of persons appointed as Directors, Group Executives, Company Secretary, responsible persons and auditors.

## Whistleblowing

The Board and management are actively shaping a culture that encourages openness, integrity and accountability through our purpose and values. The Whistleblower Policy has been developed to ensure that all current and former employees, officers, associates, contractors, sub-contractors and relatives of these people can freely, and without detriment, raise concerns regarding actual or suspected misconduct by BOQ or anyone connected to the BOQ Group. The Board receives reporting on whistleblowing matters, including reports of any material incidents reported under the Whistleblower Policy, at each Board meeting and further information is available in the [Whistleblower Policy](#).

## Anti-bribery and Corruption

Consistent with our values, BOQ has zero tolerance for any form of bribery and corruption. Our Anti-bribery and Corruption Policy outlines our expectations and approach to identifying and preventing the risks of bribery and corruption by BOQ entities, personnel and business partners. In accordance with the Policy material breaches of BOQ's Anti-bribery and Corruption Policy are reported through the Risk Committee to the Board.

The Anti-bribery and Corruption Policy is available on our [website](#).

## Market Disclosure Policy

BOQ's practice is to release market sensitive information to the ASX promptly and without delay as required under the ASX Listing Rules and then to the market and community generally through our media releases and website. BOQ requires Directors, officers and employees to advise the designated Disclosure Officer of any information that may require disclosure. Continuous disclosure confirmation is a standing agenda item at all Board and Committee meetings. BOQ's Board receives copies of all market announcements promptly after they have been made. Any new and substantive investor or analyst presentation is released to the ASX ahead of presentation.

The General Manager Corporate Governance & Head of Secretariat is the Disclosure Officer and is also responsible for communications with the ASX.

All announcements made by BOQ to the ASX are accessible via its website. A copy of the Market Disclosure Policy is available on our [website](#).

## Securities Trading Policy

BOQ's Securities Trading Policy provides Directors, Group Executives, employees, owner managers, agents and contractors of BOQ with information regarding their legal obligations with respect to trading in BOQ securities.

The Securities Trading Policy strictly prohibits trading in securities by all employees, Directors and contractors who possess information that is not generally available and that could be reasonably expected to have a material or significant effect on the price or value of a BOQ security.

The Policy specifically prohibits BOQ Directors and certain "restricted persons" (including certain senior executives) and their associates from trading in BOQ securities during "blackout periods" as defined by the Policy. The Policy prohibits BOQ Directors entering hedging arrangements (the use of financial products to protect against or limit the risk associated with equity instruments such as shares, securities or options) in relation to any employee shares, securities or options received as part of their performance-based remuneration, whether directly or indirectly.

The Securities Trading Policy meets the requirements of the ASX Listing Rules and is available on the [Governance Page](#).

## Modern Slavery

BOQ is committed to contributing to society's efforts to address and ultimately eliminate any exploitation of vulnerable people with which we may be involved, directly or indirectly and to addressing any risk of slavery, human trafficking and forced labour. BOQ recognises that respecting and protecting human rights across our operations and supply chains is an area of great importance to our organisation, shareholders, customers and the communities where we operate. Accordingly, BOQ seeks to engage with suppliers and customers who have a similar ethical approach to doing business and has taken steps to manage its supply chain in this way. BOQ also takes its compliance obligations under the Australian Modern Slavery Act 2018 (Cth) seriously and will be reporting on these requirements in its FY2020 Modern Slavery Statement.

# OUR PEOPLE

## Diversity and Inclusion Policy

BOQ believes in the power of an inclusive culture that embraces diversity in the workforce. It is core to our value of empathy, and enables us to forge strong connections with our customers, be imaginative and make better decisions. Diversity, in this context, includes age caring responsibilities, cultural identity, disability, gender expression and identity, ethnicity, education, family/relationship state, sexual orientation, religious beliefs and/or socioeconomic background. Diversity also encompasses the many ways people differ in terms of their education, life experience, location, personality, way of thinking and work experience.

Our policy on Diversity and Inclusion is on our [website](#).

BOQ's People, Culture and Remuneration Committee plays an important role in relation to our people strategy, remuneration strategy and approach to diversity and inclusion (including gender balance). This committee has a role to:

- review, note and monitor the effectiveness of our approach to diversity and inclusion
- review and recommend to the Board measurable objectives for achieving diversity and inclusion
- review both the objectives and progress in achieving the objectives, including the relative proportion of women and men at all levels.

This Committee also reviews annual performance remuneration outcomes including a review of the outcomes by gender of the distribution of performance ratings, change in salary and STI, and has a focus on gender pay equity.

Gender balance is the responsibility of the Nominations and Governance Committee in connection with the Board. Further information regarding BOQ's Diversity and Inclusion Policy is available on BOQ's [website](#).

## People

In order to attract and retain a high performing and diverse workforce, BOQ is committed to providing an environment in which all employees are treated fairly and equitably, and where diversity, inclusion and flexibility are embraced.

BOQ's Diversity & Inclusion Policy requires the Board to set measurable objectives for achieving gender diversity and is reviewed annually to assess the effectiveness of the policy.

In FY20, the Board set BOQ's measurable objectives for achieving gender diversity at 44% of women in leadership and a target of at least 40% of either gender on BOQ's Board.

BOQ did not achieve its target of 44% of women in leadership in FY20. A stretch target of 45% of women in leadership has been set for improvement in FY21. The Board will continue to target 40% of either gender on BOQ's Board in FY21.

The percentage of women appointed to the Board or employed by BOQ is set out below:



## FY20 WOMEN IN LEADERSHIP

**37.5%** Women on the Board<sup>1</sup>

**43%** Women on the Executive Committee

**35%** Women in senior leadership<sup>2</sup>

**42%** Women in leadership<sup>3</sup>

**58%** Women in total workforce

<sup>1</sup> The Board of Directors gender diversity target is calculated as the percentage of each gender as a proportion of the total number of non-executive directors and executive directors.

<sup>2</sup> Senior Leadership encompasses our Executive Committee, General Managers and Heads of responsible for leading an organisational department.

<sup>3</sup> Women in Leadership: Encompasses Senior Leaders (definition above), Specialist Managers and Branch Managers (with 2 direct reports).

Under the Workplace Gender Equality Act 2012 (Cth), BOQ is required to annually report to the Workplace Gender Equality Agency (**WGEA**) disclosing its “Gender Equality Indicators.” These reports are filed annually in respect of the 12 month period ending 31 March. The BOQ Group’s annual report to the WGEA is available on our website at and at [www.wgea.gov.au](http://www.wgea.gov.au).

BOQ recognises that diversity and inclusion cover a range of factors such as gender, age, sexual preference, cultural background and disability. All Directors, employees, prospective employees, agents, contractors, customers and suppliers of BOQ are treated fairly and equitably. Everyone is valued for their distinctive backgrounds, skills, experiences, and perspectives. Additionally, we invest in driving a culture across the organisation to support and enable diversity, inclusion and flexibility into the way we work and do business so that BOQ, our employees and customers thrive and enjoy the benefits of having a diverse workforce and inclusive culture.

## Remuneration

### Remuneration Policies and Practices

The Board has approved a Remuneration Policy which forms part of BOQ’s human resources and risk management system in accordance with the APRA requirements set out in APRA CPS 510 Governance.

The People, Culture and Remuneration Committee Chair, the Board Chair and the General Manager Investor Relations meet with institutional shareholders and corporate governance agencies throughout the year to discuss BOQ’s remuneration framework and seek feedback on the Remuneration Report.

Details of remuneration paid to Directors (executive and non-executive) are set out in the 2020 Remuneration Report. The Remuneration Report on pages 67–81 also contains information on BOQ’s policy for determining the nature and amount of remuneration for Directors and senior executives.

Please see our Remuneration Report for further detail.

## OUR CUSTOMERS

BOQ is committed to better outcomes for our customers. The Customer Advocate Office champions the voice of the customer to make sure they're heard, understood and treated fairly. The Customer Advocate function was established by authority of the Executive Committee in November 2017. The Customer Advocate promotes fair and reasonable complaint outcomes and seeks to prevent future problems by:

- highlighting potential systemic issues identified in complaints or complaints handling processes for further examination
- supporting the resolution of complaints in a reasonable timeframe
- recommending actions or opportunities to enhance processes, issues or remediation to prevent recurrence

BOQ has recently appointed a Chief Customer Officer. This is a newly created role on the Executive Team which brings together the Retail and Business Marketing teams, Brand, Corporate Affairs, Government Relations, Community Investment, Customer Advocate and the Chief Executive Office functions under a newly created business unit. Most importantly, it elevates the voice of the customer across the BOQ Group. Our Sustainability Report contains more information regarding our approach to [Customers](#).

## OUR SHAREHOLDERS

BOQ strives for transparency in all our business practices. We understand that the impact of quality disclosure on the trust and confidence of shareholders, the wider market and the community. To ensure all security holders can readily access corporate reporting documents (including ASX announcements, charters and corporate governance policies) these are all made available via the Governance Page and BOQ's [Shareholder Centre](#).

The Shareholder Centre includes the following:

- links for security holders to view details of their holding through its share registry provider's secure website, as well as access to contact details for the share registry
- links for security holders to view details on historical dividend payments and information on BOQ's Dividend Reinvestment Plan
- a financial calendar for the key events in the upcoming year, including results announcements, the AGM and dividend payments
- BOQ ASX announcements
- details of AGMs, which are webcast on BOQ's website. At AGMs, security holders have the opportunity to ask questions or make comments regarding BOQ's performance, including ahead of the meeting if they cannot attend the meeting via the share registry provider's secure website and all voting on substantive resolutions are decided by poll rather than a show of hands
- details of BOQ's preference shares and previous capital raisings.

The Shareholder Centre can be accessed from the BOQ [website](#).

### Investor Relations Program

BOQ operates an ongoing investor relations program to facilitate effective two-way communication with investors on BOQ's market activities which involves:

- half-year and annual results briefings (made available via webcast on BOQ's website) which allow for questions from market participants
- annual or semi-annual meetings with key proxy adviser groups
- meetings with domestic and international institutional investors
- presentations to institutional and retail brokers and their clients (with any new information being released to the ASX in advance of communication with investors at such meetings)
- responding to ad-hoc queries from analysts and investors (institutional and retail), as well as financial media, on market releases made by BOQ.

These initiatives represent an opportunity for BOQ to provide investors, market participants and the general public with a greater understanding of BOQ's business, financial performance, governance and prospects, whilst also providing investors and other market participants the opportunity to express their views to BOQ on matters of concern or interest to them. These views are gathered and communicated to the Board, wherever appropriate.

Security holders may elect to receive communications from and send communications to BOQ and its share registry electronically via the share registry's secure website which is accessible from the Shareholder Centre on BOQ's website at <https://www.boq.com.au/Shareholder-centre/my-shareholding> or by contacting the share registry by phone on 1800 779 639 (within Australia) or +61 1800 779 639 (outside Australia). Security holders may contact the BOQ Investor Relations team by e-mail at [InvestorRelations@boq.com.au](mailto:InvestorRelations@boq.com.au) and BOQ's share registry can be contacted by email at [boq@linkmarketservices.com.au](mailto:boq@linkmarketservices.com.au)