

2021 NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting (**Meeting**) of Bank of Queensland Limited ACN 009 656 740 (**BOQ or Company**) will be held on Tuesday, 7 December 2021 at 10.00am (AEST) as a virtual meeting online at <https://agmlive.link/BOQ21>. Online registration will commence at 9.15am (AEST).

Business

1. Financial Statements and Reports

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 31 August 2021.

Note: There is no requirement for shareholders to approve these reports. Accordingly, there is no vote on this item.

2. Election of Directors

2A. To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

That Ms Mickie Rosen, who was appointed by the Board in March 2021 and, being eligible, be elected as a Director of the Company.

2B. To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

That Ms Deborah Kiers, who was appointed by the Board in August 2021 and, being eligible, be elected as a Director of the Company.

2C. To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

That Dr Jennifer Fagg, who was appointed by the Board in October 2021 and, being eligible, be elected as a Director of the Company.

3. Grant of Securities to the Managing Director & Chief Executive Officer

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

That approval be given for all purposes, including ASX Listing Rule 10.14, for the grant of Performance Shares and Premium Priced Options to the Managing Director & Chief Executive Officer, Mr George Frazis, as his total variable remuneration opportunity for FY22 on the terms described in Item 3 of the Explanatory Statement.

Note: This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

4. Approval of Future Issuances Under the BOQ Equity Incentive Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

That issues of equity securities under the BOQ Equity Incentive Plan, as described in the Explanatory Statement, be approved as an exception to ASX Listing Rule 7.1 pursuant to Exception 13 in ASX Listing Rule 7.2.

Note: This resolution is subject to a voting exclusion as set out at the end of this Notice of Meeting.

5. Remuneration Report

To consider and, if thought fit, to pass the following as a non-binding **ordinary** resolution:

That the Company's Remuneration Report for the financial year ended 31 August 2021, be adopted.

Note: In accordance with section 250R of the *Corporations Act 2001* (Cth) (**Corporations Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

Note: This resolution is subject to a voting exclusion as set out at the end of this Notice of Meeting.

6. Appointment of Auditor to Fill Vacancy

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

*That, subject to the resignation of the current auditor of the Company, for the purposes of section 327B of the Corporations Act and for all other purposes, approval is given for PricewaterhouseCoopers (**PwC**), having been nominated by a shareholder and given its consent in writing to act as auditor, to be appointed as auditor of the Company in accordance with the Corporations Act, with effect from the later of (a) the conclusion of this Meeting; or (b) the day on which ASIC gives its consent to the resignation of KPMG as the current auditor of the Company and the Board be authorised to agree PwC's remuneration in connection with the appointment.*

DATED 4 November 2021

BY ORDER OF THE BOARD

Fiona Daly

Company Secretary

Lodgement of proxies

Shareholders unable to attend the Meeting are encouraged to register their appointment of proxy by no later than 10.00am (AEST) on Sunday, 5 December 2021. Shareholders may register their appointment of proxy online at www.linkmarketservices.com.au or by:

- requesting a proxy form from the Company's Share Registry by calling 1800 779 639 8.30am to 7.30pm (AEDT) Monday to Friday (excluding public holidays); or
- downloading an interactive proxy form from the Company's website at <https://www.boq.com.au/Shareholder-centre/my-shareholding/Annual-general-meetings>, and returning the completed form in the manner noted under "Proxies" below or on the form.

The Explanatory Statement (including each annexure to it) set out on pages 12 to 31 accompanies and forms part of this Notice of Meeting and provides more information on each of the items of business.

IMPORTANT VOTING INFORMATION

Voting rights

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) and ASX Settlement Operating Rule 5.6.1, for the purposes of the Meeting, you will be eligible to attend and vote at the Meeting if you are registered as a shareholder of the Company at 7.00pm (AEDT) on Sunday, 5 December 2021.

Participation at the Meeting

The virtual Meeting will be held at 10.00am (AEST) on Tuesday, 7 December 2021.

Shareholders, proxies and corporate representatives may participate in the Meeting online from their computers, smartphone or tablet by entering the following URL into their browser: <https://agmlive.link/BOQ21>. The latest version of Chrome, Safari, Internet Explorer 11, Edge or Firefox is required.

Detailed instructions on how to log in to, vote and ask questions during the Meeting are set out in the Company's Online Meeting Guide which is available on the Company's website at <https://www.boq.com.au/Shareholder-centre/my-shareholding/Annual-general-meetings>.

We recommend logging in to the virtual platform for the Meeting at least 15 minutes prior to the scheduled start time for the Meeting. Online registration for the Meeting will open 45 minutes before the start of the Meeting.

Conduct of the Meeting

The Company is committed to ensuring that its shareholder meetings are conducted in a manner which provides those shareholders (or their proxy holders or representatives) who are present at the Meeting with the opportunity to participate in the business of the Meeting and to ask questions about matters relevant to the business of the Meeting or the Company generally. The Chair of the Meeting will exercise his or her powers as the Chair to ensure that the Meeting is conducted in an orderly and timely fashion, in the interests of all attending shareholders.

As this Meeting is a virtual meeting technical issues may arise. In that event, the Company will have regard to the impact of the technical issue on the ability of shareholders as a whole to participate and the Chair of the Meeting may, in exercising his or her powers as the Chair, issue any instructions for resolving the issue and may continue the Meeting if it is appropriate to do so.

Voting restrictions

Item 3 – Grant of Securities to the Managing Director and Chief Executive Officer

BOQ will disregard any votes cast on this resolution:

- in favour of the resolution by, or on behalf of, Mr George Frazis (being the only director who is eligible to participate in the Company's equity incentive plan) or any of his associates (regardless of the capacity in which the vote is cast); and
- as proxy by a person who is a member of the Key Management Personnel (**KMP**) on the date of the Meeting and their closely related parties.

However, BOQ need not disregard a vote if it is cast in favour of the resolution:

- as proxy or attorney for a person entitled to vote in accordance with the directions on the proxy form;
- by the Chair of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with an express authorisation in the proxy form to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP; or
- by a person acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the person that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
- the person votes on the resolution in accordance with directions given by the beneficiary to the person to vote in that way.

Item 4- Approval of future issuances under the BOQ Equity Incentive Plan

BOQ will disregard any votes cast in favour of this resolution by, or on behalf of, any person who is eligible to participate in the BOQ Equity Incentive Plan or an associate of that person or those persons.

However, BOQ need not disregard a vote cast in favour of this resolution:

- as proxy for a person entitled to vote in accordance with the directions on the proxy form;
- by the Chair of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with an express authorisation in the proxy form given to the Chair of the Meeting to vote on the resolution as the Chair of the Meeting decides; or
- by a person acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the person that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
 - the person votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Item 5 – Remuneration Report

A vote on this resolution must not be cast, and BOQ will disregard any votes cast, on this resolution:

- by or on behalf of a member of the KMP, details of whose remuneration is included in the Remuneration Report for the year ended 31 August 2021, and that KMP's closely related parties (regardless of the capacity in which the vote is cast); and
- as a proxy by a member of the KMP on the date of the Meeting and that KMP's closely related parties.

However, BOQ need not disregard a vote if it is cast as proxy for a person entitled to vote:

- in accordance with the directions on the proxy form; or
- by the Chair of the Meeting, in accordance with an express authorisation in the proxy form to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of the KMP.

For the purposes of these voting restrictions:

1. **KMP** means the key management personnel of BOQ, being the Directors of BOQ (including the Chairman) and other employees having authority and responsibility for planning, directing and controlling the activities of BOQ, directly or indirectly. The Remuneration Report identifies BOQ's key management personnel for the financial year ended 31 August 2021.
2. **Closely related party** has the meaning given in the *Corporations Act 2001* (Cth) and when used in relation to a member of the KMP will include a spouse, dependent and certain other close family members as well as any other companies controlled by the member of the KMP.
3. **Associate** has the meaning given in the ASX Listing Rules and when used in relation to the Managing Director and Chief Executive Officer will include a spouse, parents, children, as well as any companies controlled by any of them, unless the contrary is established.

Voting using the virtual meeting platform

To log in to, and submit votes and questions in real time during the Meeting shareholders will need their Shareholder Reference Number (**SRN**) or Holder Identification Number (**HIN**). Proxyholders will need their proxy code which Link Market Services will provide via email on the day before the Meeting.

Voting will be open until the Chair of the Meeting closes the Meeting, upon which shareholders will have an additional 5 minutes to finalise and submit their votes.

More information about online participation at the Meeting (including how to cast your votes in real time during the Meeting) is set out in the Company's Online Meeting Guide which is available on the Company's website at <https://www.boq.com.au/Shareholder-centre/my-shareholding/Annual-general-meetings>.

Proxies

1. A shareholder who is entitled to attend and vote at the Meeting may appoint:
 - a) one proxy if the shareholder is only entitled to one vote; or
 - b) one or two proxies if the shareholder is entitled to more than one vote.
 2. Where the shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be disregarded.
 3. A proxy need not be a shareholder of BOQ.
 4. Shareholders may register the appointment of proxies online at www.linkmarketservices.com.au, by no later than 10.00am (AEST) on Sunday, 5 December 2021.
 5. Alternatively, shareholders may request a proxy form from the Company's Share Registry by calling 1800 779 639 8.30am to 7.30pm (AEDT) Monday to Friday (excluding public holidays) or download an interactive proxy form from the Company's website at <https://www.boq.com.au/Shareholder-centre/my-shareholding/Annual-general-meetings>, and return the completed form via the methods noted below or on the form.
 6. If you have requested and/or wish to lodge a completed proxy form with the Company's Share Registry, the form and any power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company's Share Registry by no later than 10.00am (AEST) on Sunday, 5 December 2021:
 - a) by post to:
Bank of Queensland Limited
C/- Link Market Services Limited Locked Bag A14
SYDNEY SOUTH NSW 1235; or
 - b) by delivery to:
Bank of Queensland Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138
or
Level 12, 680 George Street Sydney NSW 2000; or
 - c) by fax to (02) 9287 0309 (international +61 2 9287 0309); or
 - d) online at www.linkmarketservices.com.au.
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Attorneys

If a shareholder has appointed an attorney to attend and vote at the Meeting, or if the shareholder's proxy form is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) must be provided to the Company's Share Registry, Link Market Services Limited, in the manner and by the same time, as specified for proxy appointments (above), unless the power of attorney has been previously lodged with the Company's Share Registry.

Corporate representatives

If a corporate shareholder wishes to appoint a person to act as its representative at the Meeting, that person should be provided with a letter or certificate authorising him or her as the company's representative (executed in accordance with the company's constitution) or with a copy of the resolution appointing the representative, certified by a secretary or director of the company.

A form of appointment of corporate representative may be obtained from the Company's Share Registry by calling 1800 779 639 8.30am to 7.30pm (AEDT) Monday to Friday (excluding public holidays) or online at:

www.linkmarketservices.com.au.

To be effective, evidence of the appointment of a corporate representative must be returned by email to vote@linkmarketservices.com.au by the same time as specified for proxy appointments (above).

Directing your proxy vote

If you wish to direct your proxy how to vote on any resolution, you can mark the “For”, “Against” or “Abstain” box online or in Step 2 on the proxy form (as applicable).

Proxy voting by the Chair of the Meeting

If you appoint the Chair of the Meeting as your proxy or the Chair of the Meeting is appointed as your proxy by default and you do not specify how the Chair of the Meeting is to vote on a resolution, by completing and submitting the proxy form, you expressly authorise the Chair of the Meeting to vote your proxy as he or she sees fit.

The Chair of the Meeting intends, as at the date of this Notice of Meeting, to vote undirected proxies **IN FAVOUR** of each of the resolutions set out in this Notice of Meeting.

Poll

Voting on all resolutions will be determined by a poll at the Meeting.

The virtual meeting platform for the Meeting will facilitate online voting in real time at the Meeting.

Shareholders not attending the Meeting are encouraged to register their vote online at www.linkmarketservices.com.au by no later than 10.00am (AEST) on Sunday, 5 December 2021. Alternatively, shareholders may request a proxy form from the Company’s Share Registry by calling 1800 779 639 8.30am to 7.30pm (AEDT) Monday to Friday (excluding public holidays) or by downloading an interactive proxy form from the Company’s website at <https://www.boq.com.au/Shareholder-centre/my-shareholding/Annual-general-meetings>, and return the completed form in the manner noted under “Proxies” above or on the form by no later than 10.00am (AEST) on Sunday, 5 December 2021.

The results of the voting on resolutions requiring a shareholder vote at the Meeting will be announced to the ASX promptly after the Meeting.

Questions

Shareholders are encouraged to submit questions in advance of the Meeting. Questions may be submitted to the Chairman or the Auditor by submitting a question online at www.linkmarketservices.com.au. Questions submitted this way must be received by no later than 5.00pm (AEST) on Tuesday, 30 November 2021 to allow time to collate questions and prepare answers.

More frequently asked questions will be attempted to be addressed in the Chair's address and the Managing Director & CEO's address at the Meeting.

Shareholders will also be provided with a reasonable opportunity to ask questions about, or make comments on, the business of the Meeting, the management of the Company or about the Company generally in real time via the virtual meeting platform or the questions and comments phone line for the Meeting. It may not be possible to respond to all questions during the Meeting.

More information about online participation at the Meeting (including how to ask questions in real time during the Meeting via the virtual meeting platform) is set out in the Company's Online Meeting Guide which is available on the Company's website at <https://www.boq.com.au/Shareholder-centre/my-shareholding/Annual-general-meetings>.

Shareholders who wish to ask a question or make a comment orally rather than via the virtual meeting platform for the Meeting may do so via the questions and comments phone line. To utilise the questions and comments phone line, please call the Company's Share Registry on 1800 779 639 (inside Australia) or +61 1800 779 639 (outside Australia) by 10.00am (AEST) on 5 December 2021 to register your participation and obtain the required access code. Once dialled into the questions and comments phone line using the access code, please follow the prompts to ask a question.

Importantly, participants will not be able to vote via the questions and comments phone line.

INTRODUCTION

Explanatory statement

The following Explanatory Statement has been provided to shareholders to inform them about the business of the Meeting and each of the resolutions proposed in the Notice of Meeting.

The purpose of these notes is to provide shareholders with information they reasonably require to decide how to vote on each resolution.

The Board recommends that shareholders read these notes before determining whether or not to support a resolution.

Item 1 – Financial statements and reports

The Corporations Act requires the Financial Report (which includes the Financial Statements and Notes and Directors' Declaration), the Directors' Report and the independent Auditor's Report to be presented before the Meeting.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports and on the business, operations and management of BOQ. There will be no formal resolution put to the Meeting on this item of business.

The Company's auditor will be present at the Meeting to answer audit-related questions from shareholders. Shareholders may also submit written questions to the Company's auditor on the content of the independent Auditor's Report or the conduct of its audit of the Company's Financial Report for the year ended 31 August 2021. Such questions must be received by no later than 5.00pm (AEST) on Tuesday, 30 November 2021. The auditor is not obliged to provide written answers.

Item 2 – Election of directors

The board of directors of the Company (**Board**) is, at the date of this Notice of Meeting, comprised of 8 Non-Executive Directors and one Executive Director (being, the Managing Director & CEO).

The Board regularly reviews its composition to ensure there is an appropriate range of skills, and an appropriate mix of business talents, outlooks, backgrounds and diversity that enhance the breadth of operation of the Company's business and its future strategy.

To assist in identifying the areas of focus and continue to maintain an appropriate mix of relevant skills in the Board's membership, a skills matrix is used which addresses factors such as gender, professional experience and qualifications, in order to promote a diverse range of skills and experience.

The Nomination & Governance Committee monitors the skills and experience of existing Directors and ensures that new Board appointees enhance the skill diversity of the Board.

All Directors have extensive business experience in their chosen fields of endeavor, and in business generally and these skills are relevant to the business conducted by the Company.

There are three resolutions proposed for the election of three Directors to the Board.

Background information on each Director seeking election is provided below.

Ms Mickie Rosen

Ms Rosen has three decades of strategy, operating, advisory and board experience across media, technology and e-commerce. She has built and led global businesses for iconic brands such as Yahoo, Fox, and Disney, as well as early stage companies including Hulu and Fandango.

Until recently, Ms Rosen served on the board of Pandora Media and was the President of Tribune Interactive, the digital arm of Tribune Publishing and was concurrently the President of the Los Angeles Times. Ms Rosen is also a Non-Executive Director of Nine Entertainment Co. Ms Rosen commenced her career with McKinsey & Company, is based on the West Coast of the United States of America and holds an MBA from Harvard Business School.

Ms Rosen currently chairs the Transformation & Technology Committee and is a member of the Risk, People, Culture & Remuneration, Audit, and Nomination & Governance Committees.

Recommendation

The Board (with Ms Rosen abstaining) recommends that shareholders vote in favour of Ms Rosen's election as a Non-Executive Director of the Company.

Ms Deborah Kiers

Ms Kiers brings over 30 years of strategic, advisory and consulting experience to boards and executive management teams across a wide range of industries including Financial Services, Energy and Resources, Industrials, Property, Infrastructure and Regulated Utilities, both in Australia and internationally.

As Managing Director of JMW Consultants (Asia Pacific), Ms Kiers' support for companies included strategic advice, business model transformations, M&A integration, leadership transition and development for CEOs, executive teams and board directors, as well as building synergies between culture, performance and remuneration strategies.

Ms Kiers is currently a Non-Executive Director for IFM Investors and holds the position of Chair of the IFM Board Responsible Investment and Sustainability Committee and is a member of the Board Audit and Risk Committee. Ms Kiers is also a Non-Executive Director of the Tiverton Agriculture Impact Fund.

Ms Kiers previously acted as a Director of ME Bank and acted as Chair of the ME Bank Board's People & Culture committee and as a member of the ME Bank Board's Risk & Compliance Committee.

Ms Kiers is a member of the BOQ Transformation & Technology, Risk, People, Culture & Remuneration, Audit, and Nomination & Governance Committees.

Recommendation

The Board (with Ms Kiers abstaining) recommends that shareholders vote in favour of Ms Kiers' election as a Non-Executive Director of the Company.

Dr Jennifer Fagg

Dr Fagg brings to the Board more than 25 years executive experience across leading financial services institutions in Australia and abroad. Most recently Dr Fagg served as Chief Risk Officer for AMP Limited driving a critical transformation agenda for risk culture and systems following the Hayne Royal Commission. She is recognised for her leadership capability and turnaround credentials fostered during her time at CIBC, Canada and many years at ANZ where she led the Consumer Finance division and was also CEO of ANZ Bank, New Zealand. Dr Fagg has a PhD in Management (Risk), from University of Sydney's Graduate School of Business and also holds a Bachelor of Economics from the University of Queensland.

Dr Fagg is a member of the BOQ Transformation & Technology, Risk, People, Culture & Remuneration, Audit, and Nomination & Governance Committees.

Recommendation

The Board (with Dr Fagg abstaining) recommends that shareholders vote in favour of Dr Fagg's election as a Non-Executive Director of the Company.

Item 3 – Grant of securities to the managing director and chief executive officer

The Board is seeking shareholder approval to grant Mr George Frazis, the Managing Director & Chief Executive Officer of the Company (**MD & CEO**) under the BOQ Equity Incentive Plan (**EIP**), up to \$1,314,000 delivered in Performance Shares and up to \$876,000 delivered in Premium Priced Options, being Mr Frazis' total variable remuneration opportunity in respect of the financial year ending 31 August 2022.

The actual number of securities awarded will be based on the volume weighted average price (**VWAP**) of BOQ shares over the ten trading days immediately following the Meeting and will be subject to performance or vesting conditions, in each case as described below.

Mr Frazis will be entitled to receive one fully-paid ordinary BOQ share (**share**) for each Performance Share or Premium Priced Option that vests (and in the case of a Premium Priced Option, if the Premium Priced Option is exercised and the exercise price paid).

Under ASX Listing Rule 10.14, an entity must not permit a director of the entity to acquire shares or rights to shares under an employee incentive scheme without the approval of shareholders. While it is not currently intended that shares will be issued to the MD & CEO to satisfy any vested Performance Shares or Premium Priced Options, shareholder approval is being sought to provide the flexibility for the Company to issue shares should that be desirable at the relevant time.

Information regarding the Performance Shares and Premium Priced Options award is set out below. Annexure A contains further details and other information required by the ASX Listing Rules.

Performance Shares

Performance Shares are 'rights' to receive shares for the purposes of the EIP and for each 'right' that is converted at the end of the 12 month performance period described below, Mr Frazis will generally receive one share that is subject to dealing restrictions for a further period (**restricted share**).

Number of Performance Shares awarded

The Board will determine the number of Performance Shares allocated to Mr Frazis by dividing his total opportunity of \$1,314,000 by the VWAP of shares over the ten trading days immediately following the Meeting, rounded up to the nearest whole number. For example, if the VWAP is \$8.00, Mr Frazis would receive 164,250 Performance Shares.

	Example 1	Example 2	Example 3
VWAP	\$8.00	\$9.00	\$10.00
Performance Shares	164,250	146,000	131,400

Performance period and performance conditions

Performance Shares are eligible to convert into restricted shares by no earlier than October 2022, based on an assessment by the Board of performance against the Group Scorecard over the performance period 1 September 2021 – 31 August 2022.

The FY22 Group Scorecard is weighted 50 per cent to financial measures and 50 per cent to non-financial measures. The Board will determine in its absolute discretion if all or some of the Performance Shares convert into restricted shares or lapse based on performance against the Group Scorecard and any other relevant matters. The Board will also consider Mr Frazis' ongoing satisfactory performance and compliance with the terms of his employment agreement and Group policies, as well as conduct, risk behaviours and outcomes before the conversion or vesting of the Performance Shares.

If the Board determines that the performance and any other conditions have been satisfied, then all Performance Shares will be converted to restricted shares. There is no retesting of the Performance Shares.

Each restricted share allocated to Mr Frazis will be subject to dealing restrictions as described below.

Restriction periods

The restricted shares will be subject to dealing restrictions and will vest and become unrestricted in three tranches as follows:

- 33 per cent vests 12 months after allocation of restricted shares (i.e. no earlier than October 2023)
- 33 per cent vests 24 months after allocation of restricted shares (i.e. no earlier than October 2024)
- 34 per cent vests 36 months after allocation of restricted shares (i.e. no earlier than October 2025)

At the end of each restriction period the Board may determine in its absolute discretion that all or some of the restricted shares do not vest and, in making this assessment, will consider Mr Frazis' ongoing satisfactory performance and compliance with the terms of his employment agreement and Group policies, as well as conduct, risk behaviours and outcomes.

Mr Frazis will be free to deal with his shares after the end of the relevant restriction period, subject to BOQ's Securities Trading Policy.

Dividend and voting rights

The Performance Shares do not carry any dividend or voting rights before converting into restricted shares. Restricted shares allocated on conversion of Performance Shares carry dividend and voting rights from allocation.

Cessation of employment

If Mr Frazis ceases employment with BOQ his Performance Shares and restricted shares will be treated as set out below, unless the Board determines otherwise. Any Performance Shares or restricted shares that remain on foot will be subject to the original offer terms (including dealing restrictions and malus) during the two, three and four year restriction periods and an additional two year clawback period after each restriction period, as described in Appendix A.

Reason for ceasing employment	Performance Shares (i.e. during one year performance period)	Restricted shares allocated on conversion of Performance Shares
Summarily dismissed	Lapse	Forfeited
Resign	Lapse	If at least three years of service has been completed, remain on foot or If less than three years of service has been completed, forfeited
Leave to work with a competitor or is employed by a competitor of BOQ within 6 months of ceasing	Lapse	Forfeited
In all other cases (e.g. redundancy, retirement, mutually agreed separation)	Pro-rata allocation	Remain on foot

Premium Priced Options

Premium Priced Options will vest subject to satisfaction of the vesting conditions outlined below over two different vesting periods. For each Premium Priced Option that vests and is exercised, Mr Frazis will receive one restricted share upon payment of the exercise price. Restricted shares allocated on exercise and payment of the exercise price will be subject to dealing restrictions for a further period.

Number of Premium Priced Options awarded

The Board will determine the number of Premium Priced Options allocated to Mr Frazis by dividing his opportunity of \$876,000 by the value of a Premium Priced Option. The value of Premium Priced Options will be determined by the Board as a percentage of the VWAP of shares over the period of ten trading days immediately after the Meeting, rounded up to the nearest whole number. For example, if the VWAP is \$9 and the Premium Priced Option is 11% of the VWAP, Mr Frazis would receive 884,848 Premium Priced Options.

	Example 1	Example 2	Example 3
VWAP	\$8.00	\$9.00	\$10.00
Exercise Price	\$9.60	\$10.80	\$12.00
Option value	\$0.88	\$0.99	\$1.10
Premium Priced Options	995,455	884,848	796,364

Exercise price

The exercise price for each Premium Priced Option will be 120 per cent of the VWAP of shares on the ten trading days immediately after the Meeting. For example, if the VWAP is \$8.00, the exercise price would be \$9.60.

This means the Premium Priced Options will only be valuable to Mr Frazis if the Company's share price increases by more than 20 per cent over the relevant period. This aligns Mr Frazis' remuneration with long-term value creation for shareholders.

Vesting conditions and vesting period

Premium Priced Options will be eligible to vest according to the following schedule:

- 50 per cent will be eligible to vest four years after the grant of the options (i.e. in December 2025)
- 50 per cent will be eligible to vest five years after the grant of the options (i.e. in December 2026)

At the time of vesting, the Board may determine in its absolute discretion that all or some of the Premium Priced Options do not vest and in making this assessment will consider Mr Frazis' ongoing satisfactory performance and compliance with the terms of his employment agreement and Group policies, as well as conduct, risk behaviours and outcomes.

Vested Premium Priced Options may be exercised until the applicable Expiry Date, which are the 6th anniversary (50 per cent) and 7th anniversary (50 per cent) of the Premium Priced Option grant date (i.e. in December 2027 and December 2028). Any Premium Priced Options that are not exercised by this date will automatically lapse.

Restriction period

Premium Priced Options (vested or unvested) may not be dealt with at any time.

Mr Frazis' vested Premium Priced Options and, if he exercises his vested Premium Priced Options, any restricted shares allocated to him, will be subject to dealing restrictions for one year from the date of vesting (i.e. until December 2026 and 2027, as applicable).

Mr Frazis will be free to deal with his shares after the end of the applicable restriction period, subject to BOQ's Securities Trading Policy.

Dividend and voting rights

Premium Priced Options do not carry any dividend or voting rights. Shares allocated on vesting and exercise of Premium Priced Options carry dividend and voting rights from allocation.

Cessation of employment

If Mr Frazis ceases employment, his Premium Priced Options and restricted shares will be treated as set out below, unless the Board determines otherwise. Any unvested Premium Priced Options that remain on foot will vest in the usual course (subject to satisfaction of the applicable vesting conditions) and all Premium Priced Options and restricted shares that remain on foot will be subject to their original offer terms (including dealing restrictions).

Reason for ceasing employment	Unvested Premium Priced Options	Vested Premium Priced Options	Restricted shares (from exercise of vested Premium Priced Options)
Summarily dismissed	Lapse	Lapse	Forfeited
Resign	Lapse	Remain on foot but must be exercised within 60 days (if not, they lapse)	Remain on foot
In all other cases (e.g. redundancy, retirement, mutually agreed separation)	If at least 5 years of service has been completed since the participant's first grant of Options, Remain on foot or If less than 5 years of service has been completed since the participant's first grant of Options, Pro-rata amount remains on foot (balance lapses)	Remain on foot but must be exercised within 60 days (if not, they lapse)	Remain on foot

Recommendation

The Board (with Mr Frazis abstaining) recommends that shareholders vote in favour of item 3.

Item 4 – Approval of future issues under the BOQ equity incentive plan

4.1 Background and reasons for the proposal

In 2020, BOQ undertook a review of employee benefits which resulted in the Board adopting the BOQ EIP.

The EIP is designed to give the Board the flexibility to make certain offers and invitations of securities to eligible employees to incentivise performance, and to align the employees' interests with BOQ's performance and the interests of shareholders.

The EIP consolidates the following employee incentive plans which were previously approved by shareholders at BOQ's 2017 Annual General Meeting:

- the BOQ Employee Share Plan;
- the BOQ Restricted Share Plan; and
- the BOQ Award Rights Plan.

Under the EIP, BOQ may invite eligible employees (including a director employed in an executive capacity) of BOQ and its related bodies corporate to participate in a grant of certain securities under the plan (**Plan Securities**) including:

- a fully paid ordinary share in BOQ (**Share**);
- a "**Restricted Share**", being a Share that is subject to certain restrictions on dealing, vesting and/or other restrictions or conditions;
- a "**Right**", being a right to a Share or a cash payment (in certain circumstances), subject to the satisfaction of, amongst other things, applicable conditions (including any vesting conditions);
- an "**Option**", being an entitlement to receive a Share or a cash payment (in certain circumstances), subject to the satisfaction of, amongst other things, applicable conditions (including any vesting conditions); and/or
- a "**Unit**", being an entitlement to a cash payment subject to the satisfaction of applicable conditions (including any vesting conditions).

The Board intends to continue to make regular awards of Plan Securities under the EIP, including in the current year.

The Board is seeking the approval of shareholders for future issues of Plan Securities (other than a Unit, each being an equity security for the purposes of the ASX Listing Rules) under the EIP for the purposes of ASX Listing Rule 7.2 (Exception 13).

Accordingly, for the avoidance of doubt, subsequent references to Plan Securities in respect of this item 4 do not include Units.

4.2 Shareholder approval

Listing Rule 7.1 provides that any listed entity must not issue equity securities that total more than 15 per cent of its fully paid ordinary shares in a 12 month period without the approval of shareholders (**15 per cent Rule**).

Under ASX Listing Rule 7.2 (Exception 13), shareholders may approve the issue of equity securities under an employee incentive scheme as an exception to the 15 per cent Rule. This means that, if shareholders approve this Item 4, issues of equity securities under the EIP would not be included for the purposes of calculating the capacity of BOQ to issue securities under the 15 per cent Rule if and to the extent that the number of Plan Securities issued under the EIP do not exceed the maximum number set out below.

This approval continues for three years, at which time it must be renewed, or it will expire.

In the absence of such an approval, Plan Securities may be issued, but must fall within, and be permitted by, the 15 per cent Rule at the time of issue. Whether or not the resolution is passed, BOQ may acquire Shares on-market to satisfy the allocation of Plan Securities under the EIP without shareholder approval.

By seeking shareholder approval of this item 4, BOQ is seeking flexibility in being able to satisfy, at its discretion, an allocation of Plan Securities by either, or a mixture of, the issue of new Shares or the acquisition on-market of existing Shares, depending on what may be in the best interests of BOQ at the relevant time.

In the opinion of the Board, the proposed resolution will assist BOQ to manage its capital requirements efficiently by ensuring that the 15 per cent limit is not diminished by the issue of Plan Securities and capacity is available for capital management and other purposes, if necessary.

4.3 Information required by ASX Listing Rule 7.2 (Exception 13)

Annexure B contains a summary of the terms of the EIP. A copy of the full terms of the EIP is available on BOQ's website at: <https://www.boq.com.au/content/dam/boq/files/shareholder-centre/my-shareholding/boq-equity-incentive-plan-rules.pdf>.

A total of:

- 235,498 Shares;
- 1,921,944 Rights;
- 8,033,732 Options; and
- 302,838 Restricted Shares,

have been issued under the EIP since its adoption in 2020.

The maximum aggregate number of Plan Securities proposed to be issued under the EIP in the three year period following shareholder approval under this item 4 (if approved) is 37,500,000. The maximum number of Plan Securities which may be issued under the EIP over the next three years is not intended to be a prediction of the actual number of Plan Securities that may be issued under the EIP, rather it is intended to be a ceiling on the number of Plan Securities approved to be issued under the EIP for the purposes of Exception 13(b) of Listing Rule 7.2. If the maximum number is reached, any additional issues of Plan Securities under the EIP would not have the benefit of Exception 13 and would be included for the purposes of calculating the capacity of BOQ to issue securities under the 15 per cent Rule, unless a further Shareholder approval is obtained or BOQ acquires the relevant Shares on-market to satisfy the allocation of Plan Securities under the EIP.

4.4 Directors' Recommendation

The Board recommends that shareholders vote in favour of item 4.

Item 5 – Remuneration report (non-binding resolution)

Under the Corporations Act, listed companies are required to put to their shareholders a resolution to adopt the Remuneration Report contained in the Annual Report. The resolution is advisory only and does not bind the Directors or the Company.

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

Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company, as described in the Remuneration Report, the Board recommends that shareholders vote in favour of the advisory resolution to adopt the Remuneration Report.

Item 6 – Appointment of auditor to fill vacancy

KPMG is the current auditor of the Company.

Following completion of a tender process, and upon the recommendation of the Audit Committee, the Board recommends that, subject to ASIC consenting to the resignation of KPMG, the Company appoint PricewaterhouseCoopers (**PwC**) as the Company's external auditor.

Section 328B(1) of the Corporations Act requires the Company to obtain a nomination from a shareholder for PwC to be appointed as the Company's auditor. A copy of this nomination is attached to this Notice of Meeting as Annexure C.

PwC confirms that it is unaware of any matter or circumstances that would give rise to a conflict of interest situation, as defined in section 324CD of the Corporations Act, in relation to the appointment. Further, for the purposes of section 327B of the Corporations Act, PwC has given its written consent to act as the Company's auditor subject to the approval of the Company's shareholders being obtained.

In accordance with section 329 of the Corporations Act, KPMG has advised the Company that it has applied to ASIC for consent to resign as the Company's auditor with effect from the close of the Meeting. ASIC's consent to KPMG's resignation is required under section 329(5) of the Corporations Act. If ASIC does not grant its consent, KPMG will continue to hold office as the Company's auditor after the Meeting.

Subject to the approval of shareholders being obtained and ASIC granting its consent to the resignation of KPMG, the appointment of PwC as auditor will take effect from the later of: (a) the close of the Meeting; or (b) the day on which ASIC gives its consent to the resignation of KPMG as the current auditor of the Company.

Annexure A – Further information required by the ASX Listing Rules (item 3)

Information regarding remuneration package

Mr Frazis is an Accountable Person of BOQ as defined in the Banking Executive Accountability Regime (**BEAR**) and accordingly his variable remuneration arrangements have been designed to ensure compliance with the BEAR requirements.

The FY22 remuneration package for Mr Frazis is comprised of the following components:

- a) **Fixed Remuneration** (base salary and superannuation) – \$1,500,000;
- b) **Sundry benefits including car parking and accommodation allowance;** and
- c) **Variable Reward** – maximum opportunity of \$2,190,000, of which \$1,314,000 awarded in Performance Shares (88 per cent of Fixed Remuneration) and \$876,000 awarded in Premium Priced Options (58 per cent of Fixed Remuneration).

Information regarding the EIP

Malus and clawback powers

The Board has malus and clawback powers in relation to securities issued under the EIP. The malus and clawback rules will apply as follows to Mr Frazis' FY22 Performance Shares and Premium Priced Options as follows:

- Malus rules will apply to Performance Shares until the end of the applicable restriction periods. An additional two year clawback period will apply from the date the restricted shares become unrestricted (i.e. for 4, 5, and 6 years).
- Malus rules will apply to Premium Priced Options until the end of the applicable restriction periods. This component of Mr Frazis' variable remuneration will be 'at risk' for 5 and 6 years.

Change of control

If a change of control event occurs, the Board may decide that some or all Performance Shares or Premium Priced Options vest or lapse in accordance with the rules of the EIP (**Plan Rules**) or that the dealing restrictions on shares are lifted. In determining whether to exercise its discretion, the Board may have regard to any circumstances it considers appropriate.

Indeterminate rights

In general, the Board will satisfy each Performance Share or Premium Priced Option with the allocation of a share. Under the Plan Rules, the Board retains a discretion to satisfy a Performance Share or Premium Priced Option with a cash amount equivalent to a share.

Other discretions

The Board has broad discretion to make changes under the EIP. For example, the Board has discretion to amend or add to the terms of awards or to adjust performance conditions (e.g. to take into account unforeseen circumstances).

Additional Information required by the ASX

- Mr Frazis is a director of the Company and therefore an ASX Listing Rule 10.14.1 party.
- Nothing is payable by Mr Frazis to receive Performance Shares or Premium Priced Options, however, an exercise price of 120 per cent of the VWAP of shares on the ten trading days immediately after the Meeting must be paid to exercise any vested Premium Priced Option and receive an allocation of shares.
- Details of Mr Frazis' current total remuneration package are set out above.
- BOQ grants Performance Shares and Premium Priced Options because they create share price alignment between Mr Frazis and shareholders but do not provide the full benefits of share ownership (i.e. dividend and voting rights) unless they vest.
- If shareholder approval is granted, the Performance Shares and Premium Priced Options will be allocated to Mr Frazis within 12 months of the Meeting. If shareholder approval is given under ASX Listing Rule 10.14, it is not required under ASX Listing Rule 7.1.
- If shareholder approval is not obtained for the Performance Shares and/or Premium Priced Options, the Board will consider alternative arrangements in respect of the relevant award to appropriately remunerate and incentivise Mr Frazis.
- 146,566 Performance Shares and 1,628,456 Premium Priced Options have previously been awarded to Mr Frazis under the EIP (FY21 award).
- No loan will be made available in relation to the acquisition of securities.
- Details of any securities issued under the EIP will be published in BOQ's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

- Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the EIP after this resolution is approved and who is not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Annexure B – Summary of the terms of the EIP

Set out below is a summary of the terms of the EIP.

1. Under the rules of the Plan Rules, BOQ may, from time to time, in its absolute discretion invite eligible employees (including a director employed in an executive capacity) of BOQ and its related bodies corporate (each an **Eligible Employee**) to participate in a grant of Plan Securities, which may comprise any one or more of Rights, Options, Shares, Restricted Shares and Units (**Offer**).
2. Offers will be made on the terms set out in the Plan Rules and/or any additional or alternative terms as the Board determines, as specified in the terms of an Offer.
3. The Board may, at its discretion, refuse to allow the participation of an Eligible Employee where that Eligible Employee ceases to be an employee (including a director employed in an executive capacity) of BOQ or any of its related bodies corporate, or fails to satisfy any other conditions imposed by the Board, before the relevant grant is made.
4. Unless the Board determines otherwise, no payment is required for the grant of a Plan Security.
5. Subject to BOQ's Securities Trading Policy, any dealing in respect of a Plan Security prior to vesting is prohibited unless the Board determines otherwise or the dealing is required by law (provided the relevant participant has provided satisfactory evidence of that fact).
6. Subject to an express rule to the contrary, a Plan Security will only vest (and if and as applicable, become exercisable (in the case of Options and Rights), have all restrictions on disposal or dealing cease (in the case of Restricted Shares) or result in an entitlement to be paid a cash payment (in the case of a Unit) where each applicable vesting condition, and all other relevant conditions have been satisfied or waived by the Board.

7. Subject to the Board determining that the vesting of a Right or Option will be satisfied by BOQ making a cash payment in lieu of an allocation of Shares, the vesting (and exercise, if applicable) of a Right or Option will be satisfied by BOQ allocating to the relevant participant the number of Shares in respect of which the relevant Rights or Options have vested (and have been exercised (if applicable)). If the Board determines that the vesting of a Right or Option will be satisfied by BOQ making a cash payment in lieu of an allocation of Shares, the cash payment will be calculated:
 - in respect of Rights, by multiplying the number of Shares underlying the relevant Rights by the current market price of the Shares; and
 - in respect of Options, by multiplying the number of Shares underlying the relevant Options by the current market price of the Shares, less any exercise price that would have otherwise been payable in respect of the relevant Options.
8. The vesting of a Unit will result in a cash payment by BOQ to the relevant participant equivalent to the cash value of the Units that have vested, to be calculated by multiplying the number of Units that have vested by the current market price of the Shares, unless otherwise specified.
9. A Right or Option granted under the EIP will lapse on the earliest to occur of (amongst other things) 15 years after the date of allocation to the relevant participant or any other nominated expiry date, failure to meet a vesting condition or any other relevant condition, or the participant's election to surrender the Right or Option.
10. A Unit granted under the EIP will lapse on the earliest to occur of (amongst other things) failure to meet a vesting condition or any other relevant condition, or the participant's election to surrender the relevant Unit.
11. A Restricted Share granted under the EIP will be forfeited on the earliest to occur of (amongst other things) a failure to meet a vesting or other relevant condition, or the participant's election to surrender the Restricted Share.
12. The Board may determine that some or all of a participant's unvested Plan Securities will (as applicable) lapse, be forfeited, vest, are exercisable for a prescribed period, are no longer subject to restrictions and/or are subject to modified vesting conditions, if the participant ceases to be employed by BOQ or any of its related bodies corporate.

13. The Board may determine that a participant's entitlement to Plan Securities or Shares may be reduced or extinguished through lapse or forfeiture, the participant must pay or repay to BOQ a monetary amount in certain circumstances, or the restrictions on disposal of Restricted Shares be extended, where (amongst other circumstances):
- the participant has acted fraudulently or dishonestly, engaged in gross misconduct, engaged in an act which may impact negatively on, or breached their duties or obligations to, BOQ or any of its related bodies corporate, or been convicted of an offence or has a judgement entered against them in connection with the affairs of BOQ or any of its related bodies corporate;
 - BOQ is required or entitled to reclaim remuneration from the participant or reduce the participant's remuneration outcome under law, regulation, contract or policy; or
 - a significant unexpected or unintended consequence or outcome has occurred which impacts BOQ or any of its related bodies corporate.
14. If a change of control event occurs (as opposed to an actual change in the control of BOQ), the Board may determine that some or all of a participant's Plan Securities vest or cease to be subject to restrictions (as applicable). If an actual change in the control of BOQ occurs then all unvested Plan Securities will immediately vest (and, in the case of Rights and Options become exercisable) unless the Board determines otherwise. In each case, any unvested Plan Securities that do not vest will lapse unless the Board determines a different treatment.
15. Options and Rights carry no entitlement to participate in new issues of Shares by BOQ prior to vesting and exercise (if applicable). However, the Board may grant additional Rights, Units or Options or make any adjustments it considers appropriate to the terms of any relevant Plan Security in order to minimize or eliminate any material disadvantage to a participant resulting from a corporate action by, or capital reconstruction in relation to, BOQ. Options and Rights will also, in certain circumstances (such as in the case of a pro-rata or bonus issue of Shares by BOQ), be adjusted in the manner allowed or required by the ASX Listing Rules.
16. Subject to the terms of any relevant trust deed or Offer, participants will be entitled to receive all dividends and other distributions or benefits payable, and exercise or direct the exercise of voting rights, in each case in respect of their Shares.

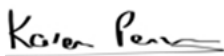
Annexure C – nomination of auditor (item 6)

The Company Secretary
Bank of Queensland Limited
Level 6, 100 Skyring Terrace
NEWSTEAD QLD 4006
22 September 2021

I, Karen Penrose, being a shareholder of Bank of Queensland Limited (“**the Company**”), hereby give notice pursuant to section 328B(1) of the *Corporations Act 2001* (Cth) (“**Corporations Act**”) of the nomination of PricewaterhouseCoopers of One International Towers Sydney, Watermans Quay, Barangaroo, Sydney NSW 2001 as auditor of the Company.

I consent to the distribution of a copy of this notice as an annexure to the Notice of Meeting in respect of the Company’s 2021 Annual General Meeting as required by section 328B(3) of the Corporations Act.

Yours sincerely


Karen Penrose

