



Your own personal bank

Bank of Queensland Limited
ABN 32 009 656 740
259 Queen Street, Brisbane 4000
GPO Box 898, Brisbane 4001
Telephone (07) 3212 3333
Facsimile (07) 3212 3409
www.boq.com.au

ASX RELEASE

Thursday, 18 October 2012

Amendment to BOQ's Dividend Reinvestment Plan

BOQ is making administrative changes to its Dividend Reinvestment Plan (DRP). Following are the updated terms of the Plan and a letter that will be sent to BOQ shareholders on 9 November 2012 to notify of the changes.

For more information:

Media:	Analysts:
Andrea Sackson Head of Corporate Affairs Phone: +61 7 3212 3018 Mobile 0400 480 866 Email: andrea.sackson@boq.com.au	Sally Wehl Investor Relations Manager Phone: +61 7 3212 3463 Mobile: 0434 583 611 Email: sally.wehl@boq.com.au



Bank of Queensland Limited

ABN 32 009 656 740

Correspondence to:

Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235
Australia

Telephone: 1800 779 639
(outside Australia) +61 2 9287 0303
Email: boq@linkmarketservices.com.au
Web: www.linkmarketservices.com.au

9 November 2012

Dear Shareholder

Amendment to the BOQ Dividend Reinvestment Plan

Bank of Queensland Limited (BOQ) may at any time amend the terms of the Dividend Reinvestment Plan (DRP). An amendment to the DRP takes effect one month after notice is given to shareholders.

Notice is hereby given of changes to the DRP which will take effect one month from the date of this letter.

The DRP is amended so that:

- future changes to the DRP take effect when the change is announced to the Australian Securities Exchange (ASX) and posted on BOQ's website, rather than one month after notice is given to shareholders; and
- any notice of suspension or termination of the DRP can also be given by announcement to the ASX and posting on BOQ's website.

This will provide BOQ with greater flexibility to appropriately alter its DRP in response to changing market conditions and to do so in a cost effective manner.

Changes to the text of the Plan are as follows:

Delete clause 12.3 and insert:

12.3 The directors may at any time modify, vary or amend the Plan and such modification, variation or amendment shall take effect on the date on which notice of the same is announced to the Australian Securities Exchange and posted on the Bank's website.

Insert a new clause 12.7:

12.7 A notice of suspension of the Plan under clause 12.4 and a notice of termination of the Plan under clause 12.5 may be given by announcement to the Australian Securities Exchange and posting the announcement on the Bank's website.

A copy of the DRP is available at our website: www.boq.com.au/shareholder_services_dividends.htm

If you have any questions regarding the DRP and its operation, or wish to make an election to participate in the DRP, please contact BOQ's share registry, Link Market Services Ltd on 1800 779 639.

Yours faithfully

Melissa Grundy
Company Secretary

Dividend Reinvestment Plan



BOQ

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Highlights of the Plan

Bank of Queensland Limited's Dividend Reinvestment Plan is a convenient way of increasing your holding in Bank of Queensland Limited by reinvesting all or part of your dividend in additional shares.

Features and benefits

- ☑ On each dividend payment date, the dividend on participating shares is automatically reinvested in new shares.
- ☑ Shares are issued under the Plan at a discount of 2.5% on the arithmetic average of the daily volume weighted average price. If after this calculation there is a residual balance, that balance will be carried forward (without interest) and added to your next dividend for the purpose of calculating the number of shares you secure under the DRP at that time. These shares are issued to you free of brokerage, commission, and (under existing legislation) stamp duty costs. (With respect to stamp duty costs however, see clause 6.2 of the terms and conditions).
- ☑ The Bank pays the administrative costs associated with each issue of shares under the Plan.
- ☑ Shares issued under the Plan rank equally in all respects with existing shares.
- ☑ Participating in the Plan is optional. You may join the Plan, vary your participation or withdraw from it at any time.

- ☑ A Plan Statement providing details of your participation is sent to you after each dividend payment.
- ☑ You will receive a statement from the Issuer Sponsor (or other appropriate organisation) which will confirm the issue of shares under the Plan.

Joining the Plan

To join the Dividend Reinvestment Plan all you have to do is complete and sign the application form and return it to the Share Registry.

An application form is included in your new shareholder pack, or you can obtain one by phoning Link Market Services on 1800 779 639.

Operation of the Plan

Details of the Dividend Reinvestment Plan are set out in the terms and conditions commencing on page six.

Eligibility

All shareholders having a registered address in Australia or in such other countries as are approved by the directors from time to time are eligible to participate in the Plan.

Participation

Participation is entirely at the option of the shareholder.

Before deciding to participate or to vary your level of participation or withdraw from the Plan, you should consider the Bank's latest financial statements. If necessary you should consult your financial adviser.

Participants have the following options:

■ Full Participation

The dividend on all fully-paid ordinary shares held by the shareholder is reinvested in new shares; or

■ Partial Participation

The dividend on a number of shares as specified by the shareholder is reinvested in new shares. The dividend on the remaining (non-participating) shares will be paid as directed by the shareholder.

In the case of full participation, shares issued under the Plan will be added to the shares already participating in the Plan.

In the case of partial participation, shares issued under the Plan are eligible for participation at the shareholder's discretion on lodgement of an appropriate Notice of Variation.

Variation to level of participation or withdrawal from the Plan

You may vary your level of participation or withdraw from the Plan at any time by completing a Notice of Variation, and returning it to the Share Registry. If you withdraw from the Plan any balance in your Plan account is forfeited and may be retained by the Bank or donated by the Bank to a charitable cause of its choice. A Notice of Variation is included in your new shareholder pack, or you can obtain one by phoning Link Market Services on 1800 779 639. Subject to it being received before the Record Date, the Notice will be effective from the next dividend payment.

Ranking for dividend

Shares issued under the Plan will rank equally in every respect with existing issued fully-paid ordinary shares and will participate in all cash dividends declared after the date of issue.

Issue price

Shares will be issued under the Plan at a discount of 2.5% on the arithmetic average, rounded to four decimal places, of the daily volume weighted average price of the Bank's shares sold in the ordinary course of trading on the Australian Securities Exchange during the ten trading day period commencing on the second

trading day after the Record Date in respect of the relevant dividend. Shares will be issued fully-paid. If, after this calculation there is a residual balance, that balance will be carried forward (without interest) and added to your next dividend for the purpose of calculating the number of shares you secure under the DRP at that time.

Cost of participation

The Bank will meet the administrative costs of the Plan. No brokerage, commission or (under existing legislation) stamp duty will be payable by participants on shares issued under the Plan.

Sale of shares

Shares participating in the Plan, or shares issued under the Plan, may be sold at any time.

Shares participating in the Plan which are transferred will be withdrawn from the Plan automatically following the receipt of a valid transfer by the Bank.

Taxation

Under current Australian income tax legislation, the advice received by the Bank is that dividends reinvested will be treated in the same manner as if shareholders had received those dividends in cash, and that credits will be available in respect of franked amounts (if any) under existing dividend imputation arrangements. The Plan Statement issued following the payment of each dividend will show the amount of the dividend and any credit. Plan Statements should be retained as a record.

The Bank cannot take responsibility for the taxation liabilities of participants and it is suggested that you obtain professional taxation advice if required.

Terms and Conditions

1 Participation in the Plan

- 1.1 Participation in the Plan is subject to the terms and conditions.
- 1.2 Participation in the Plan is optional. In deciding to participate, or to vary the level of participation, or to withdraw from the Plan, shareholders should consider the Bank's latest financial statements and, if necessary, consult their financial adviser.
- 1.3 Subject to clauses 1.4 and 1.5, all shareholders who have a registered address in Australia, or in such other countries as the directors may from time to time approve, may participate in the Plan in accordance with the terms and conditions.
- 1.4 Until the directors shall otherwise determine, a shareholder whose registered address is in the United States of America, its territories or possessions, or Canada, is not eligible to participate in the Plan.
- 1.5 Where a shareholder, whose registered address is in a country or place other than Australia, wishes to participate in the Plan, the directors may, before making any issue of shares, require that shareholder to produce evidence to satisfy the directors that participation in the Plan by that shareholder or the issue of shares to that shareholder pursuant to the Plan does not contravene either the laws of Australia or the laws of the country or place shown as the registered address of the shareholder.

2 Application to participate

- 2.1 A shareholder who is eligible to participate in the Plan may apply to the Bank to participate by completing and duly signing an application form in accordance with the terms and conditions.
- 2.2 Where a shareholder has more than one allocated shareholding on the Share Register, the shareholder must complete a separate application form for each allocated holding.
- 2.3 An application by joint holders of shares must be signed by all shareholders.
- 2.4 An application by a company must be signed in accordance with the company's Constitution, or as permitted by the Corporations Act, or under a power of attorney.

3 Degree of participation

- 3.1 Participation in the Plan may be full or partial.
- 3.2 In the case of full participation, all shares registered in the participant's name from time to time, including, without

limitation, shares issued under the Plan, bonus shares and shares issued to the participant pursuant to a rights issue, will be subject to the Plan.

- 3.3 In the case of partial participation, only the number of shares specified by the participant in the application form, or in any subsequent notice under clause 7.1, will be subject to the Plan.
- 3.4 A shareholder eligible to participate in the Plan shall specify on the application form the degree of participation by either:
 - (a) placing a tick in the box marked full participation; or
 - (b) by specifying the number of shares to be subject to the Plan.
- 3.5 If an application form received by the Bank does not indicate the degree of participation it shall be deemed to be an application for full participation.
- 3.6 Where the number of shares registered in the name of a participant at a Record Date is less than the number of shares specified by the participant, all those shares registered in the name of the participant will be subject to the Plan.

4 Operation of the Plan

- 4.1 A shareholder, by applying to participate in the Plan, shall be deemed:
 - 4.1.1 to have directed the Bank to apply the cash dividend that is available for payment in relation to the participating shares (less Withholding Tax if applicable) as payment for shares to be issued pursuant to the terms and conditions;
 - 4.1.2 to have authorised the Bank on behalf of the shareholder to subscribe for shares in accordance with the terms and conditions; and
 - 4.1.3 to have agreed to be bound by the Constitution of the Bank in respect of all shares issued under the Plan.
- 4.2 The Bank will in respect of each dividend payable to a participant:
 - 4.2.1 determine the amount of dividend payable to the participant in respect of participating shares, less (where applicable) the Withholding Tax in respect of that dividend;
 - 4.2.2 determine the maximum number of shares, priced in accordance with the provisions of the Plan, which could be acquired by using the amount determined under clause 4.2.1 plus the amount, if any, of the balance of the participant's Plan account, and if this results in a fractional entitlement to a share, the amount of the dividend relating to that fractional entitlement will be carried forward to the participant's Plan account, without interest, to be applied towards the calculation under this clause at the time of the next dividend payment.

- 4.2.3 on behalf of and in the name of the participant subscribe for that number of additional shares; and
- 4.2.4 issue that number of shares to the participant.
- 4.3 The issue price for shares issued under the Plan (subject to clause 4.2.2) is an amount 2.5% less than the arithmetic average, rounded to four decimal places, of the daily volume weighted average price of all shares sold in the ordinary course of trading on the Australian Securities Exchange automated trading system during the 10 trading day period commencing on the second trading day after the Record Date in respect of the relevant dividend. The calculation of the daily volume weighted average price shall not include transactions which are:
- (a) transactions defined in the ASX Market Rules as "special";
 - (b) crossings prior to the commencement of the open session state on a trading day;
 - (c) crossings during overnight trading;
 - (d) any overseas trades or trades pursuant to the exercise of options over Shares;
 - (e) any overnight crossings; or
 - (f) other trades that the Board determines are not fairly reflective of natural supply and demand.

The issue price will be determined by the Bank or some other person nominated by the Bank by reference to information the Bank approves for the purpose from time to time. A determination by the Bank, or other person nominated by the Bank, will be binding on all shareholders.

- 4.4 Shares issued under the Plan shall be issued at the issue price and credited as fully-paid.
- 4.5 Any amount held by the Bank in a participant's Plan account may only be utilised in accordance with clauses 4.2.2, 7.2 or 7.3. The amount is not a deposit liability of the Bank and no interest is payable by the Bank on that amount. If this Plan is suspended, any amount in a Plan account may be held by the Bank until the Plan is re-activated.

5 Issues under the Plan

- 5.1 Shares issued under the Plan will rank equally in all respects with existing shares in the Bank.
- 5.2 If the Bank's Share Register consists of one or more branch registries in addition to its principal register then shares issued to a participant under the Plan will be registered on the same

principal register or branch register on which the participant's participating shares are registered at the date of issue.

6 Cost to participants

- 6.1 No brokerage, commission or other transaction costs will be payable by a participant in respect of shares issued under the Plan.
- 6.2 In the event that at the date of any issue stamp duty is payable in Queensland in respect of the issue, the amount of such stamp duty shall be paid by the participant to whom the shares are issued under the Plan.
- 6.3 The Bank shall pay all the administrative costs of the Plan.

7 Variation and termination of participation

- 7.1 Subject to part 10, a participant may at any time give notice to the Bank:
 - 7.1.1 increasing or decreasing the number of participating shares; or
 - 7.1.2 terminating participation in the Plan.
- 7.2 Subject to part 10, where a participant dies, or becomes bankrupt or goes into liquidation, participation in the Plan, and the participation of any joint shareholder, will be terminated upon receipt by the Bank of notice of death, termination, or liquidation as the case may be.
- 7.3 Where participation in the Plan is terminated, any balance in the participant's Plan account is forfeited. The Bank may, in its discretion, retain that amount or use those funds to make a donation to a charitable organisation chosen by the Bank.

8 Alteration or termination of participation where no notice is given

- 8.1 Where a participant disposes of part of the shares held and does not otherwise give notice:
 - 8.1.1 if the number of shares disposed of is less than the number of shares not subject to the Plan held by that participant, then the shares disposed of will be deemed to be non-participating shares; and
 - 8.1.2 if the number of shares disposed of is greater than the number of shares not subject to the Plan held by the participant, then the shares disposed of will be deemed to be all the shares of the participant not subject to the Plan, plus such additional number of participating shares as may be necessary to aggregate the total number of shares disposed of.
- 8.2 Where a participant disposes of all shares without giving the Bank notice of termination of participation in the Plan, the participant will be deemed to have given notice to terminate

participation in the Plan on the last date on which the Bank registered a transfer or instrument of disposal of the shares.

9 Plan Statement

- 9.1 The Bank will from time to time in accordance with this part 9 send to each participant a Plan Statement providing, at the relevant date, full details of the participant's transactions pursuant to the Plan.
- 9.2 The Bank shall send a Plan Statement to each participant at the time that it sends any dividend advice to shareholders.

10 Applications and notices

- 10.1 Applications and notices for the purposes of the Plan shall be in writing in such form and lodged at such place as the Bank may from time to time require.
- 10.2 Applications and notices (other than notices of death, bankruptcy or liquidation) in respect of shares registered in joint names shall be signed by all registered holders of those shares.
- 10.3 Subject to the terms and conditions, applications and notices shall take effect on and from the date on which they are received by the Bank provided that:
 - 10.3.1 an application to participate in the Plan is not effective until it has been accepted by the Bank; and
 - 10.3.2 applications and notices, including notices of death, bankruptcy or liquidation, received by the Bank after 5.00 p.m. on a Record Date will not be effective in relation to the dividend determined on that Record Date, but will be effective for subsequent dividends.

11 Stock Exchange listing

- 11.1 The Bank will apply promptly for shares issued under the Plan to be listed for quotation on the Australian Securities Exchange.

12 Directors' powers in relation to the modification or termination of the Plan

- 12.1 The directors may from time to time as they think fit set a limit on the aggregate amount of dividend which may be reinvested by shareholders under the Plan and may vary that limit at any time.
- 12.2 The directors may determine administrative procedures to be followed in respect of the implementation of the Plan and may vary those procedures.
- 12.3 The directors may at any time modify, vary or amend the Plan and such modification, variation or amendment shall take effect on the date on which notice of the same is announced to the Australian Securities Exchange and posted on the Bank's website.

- 12.4 The directors may suspend the operation of the Plan from time to time for any period and suspension shall take effect immediately upon the directors giving notice of same to shareholders.
- 12.5 The directors may terminate the Plan after first giving 3 months notice to shareholders. The termination of the Plan shall take effect at the expiration of that period of 3 months.
- 12.6 The accidental omission to give to an individual shareholder notice of modification, variation, amendment, suspension or termination of the Plan, or the non-receipt of such notice by a shareholder shall not invalidate the modification, variation, amendment, suspension or termination of the Plan.
- 12.7 A notice of suspension of the Plan under clause 12.4 and a notice of termination of the Plan under clause 12.5 may be given by announcement to the Australian Securities Exchange and posting the announcement on the Bank's website.

13 Taxation

- 13.1 The Bank makes no representations or warranties in respect of, and accepts no liability for, the liability of participants to pay income tax in respect of any issue, payment or other transaction pursuant to the Plan.

14 General

- 14.1 The Plan, its operation and the terms and conditions shall be governed by the laws of Queensland.
- 14.2 The Bank may waive strict compliance with any of the provisions of the terms and conditions at its discretion.
- 14.3 Participants shall be bound by the terms and conditions as they exist from time to time.

15 Definitions and interpretation

- 15.1 When used in these terms and conditions, the words listed below shall, unless the context otherwise requires, have the meanings assigned to them:
 - 15.1.1 "the Bank" means Bank of Queensland Limited;
 - 15.1.2 "directors" means the directors for the time being of the Bank;
 - 15.1.3 "participant" means a shareholder whose application to participate in the Plan has been accepted by the Bank;
 - 15.1.4 "participating shares" means shares which are subject to the terms and conditions of the Plan;
 - 15.1.5 "the Plan" means Bank of Queensland Limited's Dividend Reinvestment Plan and the terms and conditions relating thereto;
 - 15.1.6 "Plan Statement" means a Plan Statement which complies with clause 9.1;

- 15.1.7 "Record Date" means a date which the Bank nominates for the purpose of determining entitlements to the payment of a dividend;
- 15.1.8 "registered address" means the address of a shareholder as shown in the Share Register;
- 15.1.9 "share" means an ordinary fully-paid share in the capital of the Bank;
- 15.1.10 "shareholder" means a person who is registered for the time being as a shareholder on the Share Register;
- 15.1.11 "Share Register" means the Register of Members kept by the Bank pursuant to the Corporations Act;
- 15.1.12 "Share Registry" means Link Market Services or the Bank's Share Registry from time to time;
- 15.1.13 "terms and conditions" means all the terms and conditions set out in parts 1-15 (both inclusive) herein with such modifications, variations and amendments as are effected from time to time.
- 15.2 Words importing the singular shall include the plural and vice versa; words importing any gender shall include other genders; "person" includes a corporation.

Registered office

Bank of Queensland Limited
Level 17, BOQ Centre
259 Queen Street
Brisbane Qld 4000

Telephone: (07) 3212 3333
Facsimile: (07) 3212 3399

Share registry

Link Market Services
Locked Bag A14
Sydney South NSW 1235

Telephone: 1800 779 639
Facsimile: 02 9289 0303

boq.com.au