Securities Trading Policy

Bank of Queensland

IT'S POSSIBLE to LOVE A BANK

BOQ

1 Introduction

1.1 About this Policy

The Securities Trading Policy (the **Policy**) has been developed to enable all employees to understand Bank of Queensland Limited's (**BOQ**) securities trading requirements, what insider trading is and why 'insider trading' is prohibited.

During their career with BOQ, employees may become aware of information that could have an impact on the price of BOQ's shares and other financial products in the market. This information could be inside information.

Insider trading laws are aimed at preventing those people with inside information (**Insiders**) from taking advantage of their position to use this inside information to gain benefit (usually financial benefit) either for themselves, their family members or others.

The Policy is not intended to be a substitute for an employee obtaining their own legal advice. If an employee has any particular concerns on insider trading, they should speak with their manager, the General Manager Human Resources or the Company Secretary.

1.2 Who Does the Policy Apply to?

The Policy applies to individuals who have the following roles:

- All Directors of BOQ and its related bodies corporate (**BOQ Group**), and any observers or attendees at meetings of the Board of Directors of BOQ and/or its related bodies corporate (**Directors**);
- All full-time, part-time and casual employees of the BOQ Group (**Employees**); and
- All agents, contractors and secondees to the BOQ Group, which includes Owner-Managers of BOQ branches and their staff (**Contractors**).

In addition, certain nominated roles within the BOQ Group are subject to additional restrictions, and these restrictions also apply to the dealings of their Associates (**Prescribed Persons**).

Please refer to the **Appendix** for definitions of terms used in the Policy (which are not otherwise defined).

2 Financial Products

Insider trading laws (and this Policy) apply to the following financial products:

- **Securities** - including a company's shares, debentures (including convertible notes), managed investment interests made available by a company, units of shares or of managed investment interests and exchange traded and over the counter put and call options over any of those securities,
- **Derivatives** - including exchange traded options, equity swaps, futures or options, equity futures or other futures which relate to any financial products of a company,
- **Managed investment products**,
- **Superannuation products**, and
- **Any other financial product** that can be traded on a financial market (that is, tradeable on a

stock exchange or futures exchange or other type of licensed financial market).

3 Dealing Restrictions

3.1 General Dealing Restrictions of Directors, Employees & Contractors

All Directors, Employees and Contractors **must** follow the rules below if they are an Insider:

- They **must not** apply for, acquire, or dispose of, financial products of the company to which the inside information relates, either for themselves or for another person,
- They **must not** get any other person (whether an Associate, family member, friend, colleague or a private company or trust) to apply for, acquire, or dispose of, the financial products for them, or for another person or for themselves,
- If the financial products are also listed on a financial market (such as the ASX), they **must not**, either directly or indirectly, give the inside information, or allow it to be given, to another person whom they know, or should know, would be likely to do any of the prohibited things described above,
- With regard to financial products issued by a customer of BOQ Group and where inside information about that customer is known, they **must not** apply for, acquire or dispose of or offer or agree to acquire or dispose of those financial products or attempt to influence others (including Associates, family, colleagues, private companies or trustees) to do so,
- They **must not** give any inside information to any person who is a Director, Employee or Contractor of BOQ and/or its subsidiaries who is a trader in, or distributor of, financial products or procure that person to buy or sell for them or another person while the Director, Employee or Contractor remains an Insider,
- If a Director, Employee or Contractor liaises with industry analysts or business journalists (**Analyst**) working on the business activities of BOQ Group, that person **must not** give the Analyst any inside information about BOQ Group, or confirm with the Analyst any suspicions or hunches which the Analyst may have, even if these hunches are based on the Analyst's own research and analysis.

In respect of dealings with BOQ shares, convertible preference shares, reset preference shares or any other securities or financial products which may be issued by BOQ, the following applies to **all** Directors, Employees and Contractors:

- No person can trade in or procure someone else to trade in financial products of BOQ in breach of insider trading laws,
- At no time can Directors, Employees or Contractors engage in short term speculative trading in BOQ Group financial products. This rule is designed to encourage support for BOQ's long term objectives and discourage short term actions which could affect the share price or lead to market speculation, and
- Any person who trades in financial products of BOQ on a financial market should use only one or two brokers (preferably only one).

3.1.1 Prohibition of the use of Derivatives and Hedging over BOQ Securities

All Directors, Employees and Contractors are strictly prohibited from entering into hedging arrangements in relation to any employee shares, securities or options received as part of their performance-based remuneration, whether directly or indirectly. Any person who attempts to hedge any shares, securities or options renders those instruments liable to forfeiture. Prescribed Persons are prohibited from hedging any shares or securities of BOQ or its subsidiaries.

All Directors, Employees and Contractors are prohibited from entering into arrangements for margin borrowing, short selling or stock lending in respect of shares, securities or options of BOQ or its subsidiaries.

3.2 Dealing Restrictions for Prescribed Persons & Their Associates

3.2.1 Trading During a Blackout Period

A Prescribed Person or their Associate must not deal in any BOQ securities during the following timeframes (**Blackout Periods**):

1. The period commencing on 1 March and ending on the close of trading on the Australian Securities Exchange (**ASX**) one trading day after the announcement of BOQ's half year results in early April;
2. The period commencing on 1 September and ending on the close of trading on the ASX one trading day after the announcement of BOQ's full year results in early October;
3. Any other period of time nominated from time-to-time by the Chairman, CEO or Chief Financial Officer.

The Chairman or CEO has discretion to reduce or extend (conditionally or unconditionally) the Blackout Periods.

If a Prescribed Person has inside information about BOQ, they must not trade in BOQ securities at any time, including outside of a Blackout Period.

3.2.2 Trading Outside of a Blackout Period

Directors

Directors or their Associates must obtain prior written approval from the Chairman before any instructions are provided to any person in respect of trading in BOQ Group financial products.

In the case of the Chairman or his Associates, prior written approval must be obtained from the Chair of the Audit Committee before any instructions are provided to any person in respect of trading in BOQ financial products.

All trading by Directors or their Associates should be limited to acquisition of financial products, not disposal. This restriction will apply while the person is a Director and for 3 months after ceasing to be a Director.

Prescribed Persons

In the case of Prescribed Persons or their Associates, prior written approval must be obtained from their reporting Group Executive, or in the case of Group Executives, the CEO or his delegate before any instructions are provided to any person in respect of trading in BOQ Group financial products.

If a Group Executive becomes aware of a reason why Prescribed Persons should not be permitted to trade in BOQ Group financial products, the Group Executive must provide formal notification of this fact to the Company Secretary.

3.3 Exceptions to Blackout Periods

3.3.1 Excluded Dealings

Section 3.2 does not apply to the following categories of trading:

a) Transfers with closely related Associates

Transfers between a Prescribed Person and a closely-related Associate in respect of which prior written clearance has been provided in accordance with section 3.3.2, may be permitted at the discretion of the Chairman and CEO.

b) Corporate Actions or Employee Share Plans

- Acquiring shares under the terms of the BOQ Dividend Reinvestment Plan (**DRP**), providing that the Prescribed Person's election to participate in DRP was lodged with the Bank's share registry prior to the commencement of the Blackout Period. If an election to participate in the DRP was lodged prior to the commencement of a Black Out Period, it cannot be withdrawn during a Blackout Period.
- Accepting an invitation to receive shares or options under any BOQ employee share, award rights or option plan.
- Instructing the trustee of a BOQ employee share, award rights or option plan to assign vested securities subject to the plan from the trust and into the holder's name. In those circumstances, there is no requirement for the Prescribed Person to complete a Notification of Intention to Trade form where BOQ securities have vested and have been assigned into the holder's name. However any dealing in those shares (e.g. selling of the shares) remains subject to this Policy and the insider trading laws.
- Prescribed Persons who are eligible, may participate in rights issues or bonus issues which are offered to all BOQ shareholders, or other offers of BOQ securities made under a BOQ prospectus, even where the participation in the rights issue or bonus issue or offer is made, or acceptance falls, within a Blackout Period. However, a Prescribed Person must not elect to participate in a corporate action or change their election while in possession of inside information.

3.3.2 Special Circumstances

Directors, Prescribed Persons or their Associates who are in exceptional circumstances may apply in writing to be exempted from the prohibition on selling BOQ securities during a Blackout Period. Whether special circumstances exist will be a matter for the CEO, the Chairman or the Chair of the Audit Committee (as the case may be) to decide but will generally only apply in limited circumstances such as:

- Cases of financial or personal hardship or necessity,
- Transfers to related entities (e.g. to a personal superannuation fund or a family trust); or
- Legal duties and obligations (e.g. the administration of a deceased estate or transfers under Family Court orders).

In the application, the applicant must confirm that they do not have inside information about BOQ and provide details of all relevant circumstances, including why the proposed sale or disposal of the BOQ securities is the only reasonable course of action available to overcome the circumstances. The applicant will be informed in writing of the outcome of their application, and any conditions imposed on an exception to trading during a Blackout Period.

4 Consequences of Breach

A breach of this Policy by a Director, Employee, Contractor or Prescribed Person (or any Associate of a Director, Employee, Contractor or Prescribed Person) may contravene the insider trading provisions of the *Corporations Act 2001* (Cth), and may constitute a serious breach of conditions of employment with BOQ, resulting in dismissal of employment or exposure to serious civil and criminal liability, or both.

5 Further Information

If any further information or assistance is required, Directors, Employees and Contractors should contact their manager, the General Manager Human Resources or the Company Secretary.

6 References and Related Documents

- Notification of Intention to Trade Form
- Notification of Appointment of Prescribed Person form
- Division 3 of Part 7.10 of the *Corporations Act 2001* (Cth)

7 Definitions

A **Prescribed Person** is one who is considered to have authority, responsibility or a participatory role in the planning, directing or controlling of the activities of BOQ Group (directly or indirectly). A Prescribed Person includes the following roles:

- All Directors;
- All Employees with roles as 'Group Executive', 'General Manager' or 'Head of', or Employees with a job grade of Level 4 and above;
- Executive Assistants of Employees with a job grade of Level 4 and above;
- Selected Employees and Contractors within the Legal, Corporate Affairs, Finance, Treasury, Strategy, Compliance, Human Resources and Risk Management business units, as nominated from time-to-time by the relevant Group Executive, General Manager or Head of the business unit to the Company Secretary (who will maintain a register of Prescribed Persons). The Company Secretary will notify the nominated Prescribed Persons when they are added to the register.

An **Associate** of a Prescribed Person includes the following:

- their spouse or partner;
- their dependent children;
- any trustee of a trust or other fiduciary arrangement under which a Prescribed Person, their spouse or partner, or their dependent children, is or may be a beneficiary;
- any company in which a Prescribed Person holds (directly or indirectly) a majority of the shares or otherwise controls (directly or indirectly); and
- any other entity in which a Prescribed Person is a Director, secretary or executive officer, unless appropriate arrangements are in place within that company or body to ensure that the Prescribed Person:
  (i) takes no part in the decision by that other company or body to purchase or sell BOQ Group securities; and
  (ii) has not induced or encouraged that other company or body to purchase or sell BOQ Group securities.

Document Control	
Policy Owner	Board and Company Secretary
Version	4
Approved	BOQ Group Board – April 2015