



Board Charter

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Date	Version No.	Prepared By	Change Details	Approval Details
23/06/10	2010.1	I Rogerson	<ul style="list-style-type: none"> Fit the new standard format for ME Board and Board Committee Policies Correct minor errors or incorrect references Include definition of independent director Acknowledge the mechanics of appointment of the Chair Acknowledge the Board's responsibility for the appointment of the Company Secretary Remove the section of the Charter regarding the role of the Chief Executive Remove references to director rotation 	Board approval of meeting on 30/08/10
16/07/13	2013.1	I Rogerson	<ul style="list-style-type: none"> Annual review Change references to the "Company" to the "Bank" Clarify application of the Charter Reinstate references to director rotation 	Board approval of meeting on 30/08/11
26/06/14	2014.1	I Rogerson	<ul style="list-style-type: none"> Annual review Update references to Board Committees Review of Board skills, knowledge and experience 	Board approval of meeting on 06/09/12
20/05/15	2015.1	I Rogerson	<ul style="list-style-type: none"> Annual review 	Board approval of meeting on 05/09/13
19/05/16	2016.1	I Rogerson	<ul style="list-style-type: none"> Annual review Update to reflect change in company type and name Amend to align with ASX Corporate Governance Principles, Third Edition 	Board approval of meeting on 03/07/14
22/05/17	2017.1	I Rogerson	<ul style="list-style-type: none"> Annual review Update to include tenure and independence considerations in the Board Renewal Policy 	Board approval of meeting on 02/07/15
24/07/17	2017.2	I Rogerson	<ul style="list-style-type: none"> Annual review 	Board approval of meeting on 07/07/16

			<ul style="list-style-type: none"> • Further amendments to align with ASX Corporate Governance Principles, Third Edition 	
11/09/18	2018.1	I Rogerson	<ul style="list-style-type: none"> • Annual review 	Board approval of meeting on 06/07/17
11/05/2019	2019.1	Adam Martin	<ul style="list-style-type: none"> • Annual review 	Board approval of meeting on 11/09/18
03/10/2019	2019.2	Joanna Brand	<ul style="list-style-type: none"> • Changes to Document Control template • Map against BEAR Accountability Statements 	Board approval of meeting on 03/10/19
18/08/20	2020.1	Joanna Brand	<ul style="list-style-type: none"> • Annual review 	Board approval meeting on 18/08/20
14/08/2021	2021.1	Company Secretary	<ul style="list-style-type: none"> • Amendments to reflect changes post the acquisition of ME Bank by Bank of Queensland and to better align with Prudential Standards CPS 510 and CPS 520. 	Approved by the Board by circular resolution on 14 August 2021

Board Charter

1. Objectives

- 1.1. This Charter sets out the role, responsibilities and composition of the Board of Directors (Board) of Members Equity Bank Limited (ME).
- 1.2. This Charter does not apply to ME's related bodies corporate.
- 1.3. The Constitution of ME also governs the conduct of the Board.
- 1.4. ME is a wholly owned subsidiary of Bank of Queensland (BOQ) and is part of the BOQ Group.

2. Role and responsibilities of the Board

- 2.1. The primary role of the Board is to protect the rights and interests of ME and to create value for its shareholders and their members having due regard to the interests of other stakeholders.
- 2.2. The Board is ultimately responsible for the sound and prudent management of ME and for the overall corporate governance of ME including monitoring the business of ME. This includes:
 - appointing and, if necessary, removing the Chief Executive Officer;
 - reviewing and approving the 3 year Strategic Business Plan and annual budget;
 - providing strategic direction to ME by engaging with the Chief Executive Officer in the development and oversight of the execution of the 3 year Strategic Business Plan and annual budget;
 - monitoring performance against the 3 year Strategic Business Plan and annual budget and reviewing that performance with the Chief Executive Officer;
 - reviewing, approving and overseeing the development of ME's Risk Management Framework;
 - reviewing and approving major transactions, significant contracts and other significant business decisions for ME (including acquisitions and divestments), as per the delegations framework;
 - ensuring that management decisions are consistent with delegated authorities and the interests of shareholders;
 - overseeing the integrity of ME's accounting and corporate reporting, including the external audit;
 - monitoring the effectiveness of ME's governance practices;
 - assisting the Chief Executive Officer in creating the desired staff culture;
 - fostering an environment of innovation and deep customer understanding;
 - ensuring ME's shareholders are provided with the appropriate information in a timely manner;
 - engaging with the Chief Executive Officer regarding the appointment, and when necessary, replacement of other senior executives;
 - supporting the Chief Executive Officer in nurturing staff and developing succession plans;
 - approving the remuneration framework;
 - overseeing the information security of ME, including maintaining information security in a manner commensurate with the size and extent of threats to ME's information assets, and in a way which enables the continued sound operation of ME; and
 - performing such other functions as are prescribed by law or are assigned to the Board.
- 2.3. The Board's authority level is described in ME's Constitution and Authorities and Delegations Policy. In particular, the Board is authorised to:
 - investigate and review any matters within its area of responsibility;
 - seek information from any Director, officer or employee of ME or any company in the ME Group, or from any advisor, agent or representative of any of them; and
 - follow the process specified in this Charter to access resources from within the ME Group or from any external legal, accounting or other advisors of ME as it considers necessary for the purpose of fulfilling its duties, at ME's expense.

3. Composition, Fit and Proper and Board Renewal

- 3.1. ME's Constitution provides for a minimum and maximum number of Directors.
- 3.2. A majority of the Directors will reside in Australia.
- 3.3. ME's current and past auditors cannot be Directors.
- 3.4. The Board will appoint one of its members to be the Chair, in accordance with the Constitution.
- 3.5. The Board will be made up of a majority of independent non-executive Directors.
- 3.6. The Board will meet the Director rotation requirements contained in the Constitution.

- 3.7. The Board will determine the independence of the Directors by reference to any guidance issued from time to time by the Australian Prudential Regulation Authority (APRA) on this matter, and may refer to other guidance including that contained in the ASX Corporate Governance Council Principles and Recommendations.
- 3.8. The Board will demonstrate diligence, prudence and transparency in how it discharges its duties and responsibilities.
- 3.9. ME seeks to have a Board with the right mix of individuals with relevant attributes, skills, knowledge and experience, with the overall competence collectively to deal with the current and emerging issues of the business and to effectively review the performance of management. These criteria are summarised below.

Attributes	Skills, knowledge and experience
<ul style="list-style-type: none"> • Commitment to ME's values • Embrace change and resolve dilemmas • Confront and defuse political interference so that it does not prevent sound decision making • Focus on the big picture and strategic context of decisions • Build harmonious, productive working relationships • Confidence to express views openly at all levels • Strong desire to see management team develop and succeed • Focussed on the process by which results are achieved as well as the results themselves • Ability to consider various alternatives when faced with complex situations • Desire to contribute to long term success as opposed to short term expediency 	<ul style="list-style-type: none"> • Retail banking • Superannuation • Industrial relations • Human resource management • Sales • Marketing and brand • Accounting and finance • Risk management and controls • IT, including information security • Digital • Governance • Communications • Auditing • Compliance

- 3.10. In addition, Directors must satisfy any other requirements as set out in, or made in accordance with, the Fit and Proper Requirements in the Fit and Proper Policy and their letter of appointment.
- 3.11. Nominations of new Directors are handled by the BOQ Nominations and Governance Committee.
- 3.12. The Board Renewal Policy addresses the requirements of APRA Prudential Standard CPS 510 Governance, namely the mechanisms by which the Board "remains open to new ideas and independent thinking, while retaining adequate expertise".
- 3.13. Non-executive Directors will, on appointment, receive a letter of appointment, which sets out the terms and conditions of their appointment.
- 3.14. New Directors will be inducted in accordance with the Board and Board Committees Director Induction Procedure.
- 3.15. Directors and Senior Managers will be available to meet with Regulators on request.

4. Chair

- 4.1. The Chair must be an independent non-executive Director.
- 4.2. The Chair cannot have been the Chief Executive Officer at any time during the previous three years.
- 4.3. The Chair represents the views of the Board and communicates the Board's position.
- 4.4. The role of the Chair includes providing effective leadership to the Board in relation to all Board matters and taking a leading role in creating and maintaining an effective corporate governance system.

5. Meetings

- 5.1. The Board will meet a minimum of 8 times per financial year and otherwise as often as is necessary to fulfil its responsibilities.
- 5.2. The Board may, as required, meet without management or any executive Directors present. The Board may request members of management to attend part, or all, of any meeting.
- 5.3. A majority of Directors present and eligible to vote at all Board meetings must be Non-Executive Directors.
- 5.4. Board papers will be prepared and provided in sufficient time before the meetings to allow the Directors to prepare for the meeting.
- 5.5. A meeting may be called or held using any technology consented to by all Directors.

- 5.6. Draft minutes of the meetings will be prepared by the Company Secretary for review by the Chair and the final draft minutes will be distributed to the Board for approval at the next meeting.

6. Circular Resolutions

- 6.1 The Board may consider matters out of session by circular resolution. If a Director advises that they do not support the proposal then the matter should be deferred to a meeting of the Board and the Director should raise their concerns with the Chair. Details on the management of individual circular resolutions are stated in the correspondence to the Directors on the resolution.

7. Committees

- 7.1. The Board may establish committees to assist in the execution of its responsibilities. The Board Committees may not take action or make decisions on behalf of the Board unless specifically authorised to do so.
- 7.2. The Board has two standing Committees with clearly defined responsibilities contained in the Charter for each Committee. The Committees that the Board has established are the:
- Audit Committee; and
 - Risk and Compliance Committee.
- The Board has also delegated certain responsibilities to the following BOQ committees as set out in each Committee's Charter:
- People, Culture and Remuneration Committee;
 - Nomination and Governance Committee; and
 - Transformation and Technology Committee.
- 7.3. The Board will establish ad hoc Board Committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

8. Role of Company Secretary

- 8.1. The Board is supported by the Company Secretary.
- 8.2. The Board appoints, and if necessary removes, the Company Secretary and all Directors have direct access to the Company Secretary.
- 8.3. The Company Secretary attends Board and Committee meetings and is responsible for providing Directors with advice on corporate governance and other issues affecting the functioning and operations of the Board.
- 8.4. The Company Secretary is responsible for monitoring compliance with the Board's procedures and implementing the governance framework to give practical effect to the Board's decisions.
- 8.5. The Company Secretary is also responsible for facilitating good information flows within the Board and its Committees, with the BOQ Board and its Committees and between the Directors and management, as well as the induction of new Directors and the ongoing professional development of Directors.

9. Access to Information and Independent Advice

- 9.1. All Directors have unrestricted access to ME records and information and receive regular financial and operational reports from management to enable them to carry out their duties.
- 9.2. Individual Directors and Committees may obtain independent professional advice at ME's expense in relation to the execution of their duties. The process for obtaining any such advice requires the Director to notify the Chair in advance. The Chair will be provided with a copy of the final advice that may, if appropriate, be circulated to the other Directors.

10. Review of Board Performance

- 10.1. The Chair's role includes coordination of the assessment of the achievements of the Board as a whole and of individual Directors.
- 10.2. Each year the Chair will facilitate a discussion and an evaluation of the Board (including ME's performance, the Board's role and processes, the skills and experience of the Board and other relevant issues) and the Committees of the Board.
- 10.3. The Chair also reviews each Director's contributions annually as part of the review of the Board. Directors are encouraged to reflect upon, and discuss, any developmental needs with the Chair in relation to them.
- 10.4. The non-executive Directors will review the performance of the Chair and provide feedback.

11. Disclosures by Directors

- 11.1. The Board has established procedures for handling matters that may give rise to a conflict between the interests of a Director and those of ME. These arrangements are designed to maintain the independence and integrity of the Board.

12. Review of Charter

- 12.1. The Board will review this Charter from time to time to ensure it remains current and consistent with the Board's objectives and responsibilities.