

ASX Announcement

Market Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

By e-lodgement

29 April 2021

Bank of Queensland Limited ("BOQ") – issue of A\$250,000,000 Floating Rate Subordinated Notes due 29 July 2031 ("Subordinated Notes")

Notice under section 708A(12H)(e) of the Corporations Act 2001 (Cth) ("Act") as inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71 ("Instrument")

1. BOQ will issue the Subordinated Notes today. Offers of the Subordinated Notes do not require disclosure to investors under Part 6D.2 of the Act.
2. The terms and conditions of the Subordinated Notes attached to this notice as Annex A ("**Conditions**") are set out on pages 69 to 112 of the Information Memorandum relating to BOQ's A\$8,000,000,000 Debt Issuance Programme dated 17 December 2019 ("**Information Memorandum**"), as supplemented by the Pricing Supplement dated 22 April 2021, the form of which is attached to this notice as Annex B ("**Pricing Supplement**").
3. The Subordinated Notes will be treated as Tier 2 regulatory capital under the capital adequacy framework as implemented in Australia by the Australian Prudential Regulation Authority ("**APRA**").
4. If APRA determines that BOQ is or would become non-viable, the Subordinated Notes may be:
 - (a) Converted into fully paid ordinary shares in the capital of BOQ; or
 - (b) immediately and irrevocably Written-off (and rights attaching to the Subordinated Notes terminated) if for any reason Conversion does not occur within five ASX Business Days of APRA notifying BOQ of the determination,

in accordance with the Conditions.



5. In order to enable ordinary shares in the capital of BOQ to be issued on Conversion without disclosure under Chapter 6D of the Act, BOQ has elected to give this notice under section 708A(12H)(e) of the Act as inserted by the Instrument. The Conditions and the information in the attached Schedule are included in, and form part of, this notice.
6. BOQ confirms that:
- (a) the information in this notice remains current as at today's date;
 - (b) this notice complies with section 708A of the Act, as notionally modified by the Instrument; and
 - (c) this notice complies with the content requirements of section 708A(12I) of the Act as inserted by the Instrument.
7. Unless otherwise defined, capitalised expressions used in this notice have the meanings given to them in the Conditions or Pricing Supplement.

Authorised for release to ASX by the Managing Director and Chief Executive Officer.

Nicholas Allton
Group General Counsel & Company Secretary

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This market announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration.

SCHEDULE

A. Effect on BOQ of the offer of the Subordinated Notes

The issuance of the Subordinated Notes is expected to raise Tier 2 regulatory capital to satisfy BOQ's regulatory requirements and maintain the diversity of BOQ's sources and types of capital funding.

The proceeds from the issue of the Subordinated Notes will be used for general corporate purposes. Those proceeds, less the costs of the issue, will be classified as a financial liability in the financial statements of BOQ and will be eligible Tier 2 regulatory capital. The issue of the Subordinated Notes will not have a material impact on BOQ's financial position.

The proceeds of the issue, less the costs of the issue, are expected to increase BOQ's total capital ratio on a Level 2 basis by approximately 77bps.

B. Rights and liabilities attaching to the Subordinated Notes

The rights and liabilities attaching to the Subordinated Notes are set out in the Conditions as supplemented by the Pricing Supplement.

C. Effect on BOQ of the issue of the ordinary shares if the Subordinated Notes are required to be Converted¹

A key feature of APRA's requirements for Tier 2 regulatory capital instruments is that they absorb losses at the point of non-viability of the issuer. The Conditions include provisions that require the Subordinated Notes to be Converted into ordinary shares in the capital of BOQ or Written-off on the occurrence of a Non-Viability Trigger Event. A Non-Viability Trigger Event will occur when APRA notifies BOQ in writing that it believes that relevant non-viability circumstances (as described in the definition of "Non-Viability Trigger Event" in the Conditions) subsist, which could occur at any time.

If a Non-Viability Trigger Event occurs and BOQ Converts the Subordinated Notes and issues ordinary shares to Holders (as required under the Conditions), the effect of Conversion on BOQ would be to reduce the financial liability by the principal amount, less any unamortised costs of the issue, of the Subordinated Notes being Converted and increase BOQ's shareholders' equity (ordinary share capital) by a corresponding amount. APRA has not provided extensive guidance as to how it would determine non-viability. Non-viability could be expected to include serious impairment of BOQ's financial position, concerns about its capital, funding or liquidity levels and/or insolvency. We note

¹ If, in accordance with the Conditions, BOQ is replaced by an Approved Successor as debtor of the Subordinated Notes and the issuer of ordinary shares, Subordinated Notes may be Converted into fully paid ordinary shares in the capital of an Approved Successor in accordance with the Conditions. This notice also enables ordinary shares in the capital of an Approved Successor which is a NOHC for the purposes of the *Banking Act 1959 (Cth)* issued on Conversion to be sold without disclosure under Chapter 6D of the Act. Refer to the Conditions and the Instrument for further information.

that APRA has indicated that it may regard non-viability as occurring before an authorised deposit-taking institution (ADI) such as BOQ is at risk of becoming insolvent.²

The number of ordinary shares issued on Conversion is variable, but is limited to the Maximum Conversion Number. Limiting the number of ordinary shares which may be issued to the Maximum Conversion Number means that Holders will receive a number of ordinary shares that have a market value that is significantly less than the Outstanding Principal Amount of the Subordinated Notes.

The Maximum Conversion Number is calculated based on a VWAP set to reflect 20% of the Issue Date VWAP. The Maximum Conversion Number may be adjusted to reflect a consolidation, division or reclassification or pro rata bonus issue, of ordinary shares. However, no adjustment will be made to it on account of other transactions which may affect the price of ordinary shares, including for example, rights issues, returns of capital, buy-backs or special dividends.

The Maximum Conversion Number is 5630.6306 BOQ ordinary shares per Subordinated Note (with a nominal value of A\$10,000), based on the Issue Date VWAP of A\$8.88³. If Conversion of any Subordinated Notes does not occur for any reason within five ASX Business Days after the occurrence of the Non-Viability Trigger Event, the Subordinated Notes will be Written-off, and all corresponding rights and claims of Holders under the Conditions (including to payments of interest, the repayment of the Outstanding Principal Amount and upon Conversion, the receipt of Ordinary Shares) will be immediately and irrevocably terminated, with effect from the Non-Viability Trigger Event Date in accordance with the Conditions, and investors will lose all or some of their investment and will not receive any compensation.

D. Rights and liabilities attaching to the ordinary shares in the capital of BOQ

BOQ was registered on 2 September 1887 as a public company limited by shares under the Act. BOQ's constitution was most recently amended at the general meeting held on 8 December 2020 ("**Constitution**", as amended from time to time). The ordinary shares in the capital of BOQ are admitted to trading on ASX. The rights attaching to the ordinary shares in the capital of BOQ are set out in the Act and the Constitution.

² APRA, "Response to Submissions – Loss-Absorbing Capacity" (9 July 2019).

³ Fractions of shares will not be issued in respect of the total number of BOQ ordinary shares to be issued in respect of a holder's aggregate holding of Tier 2 Subordinated Instruments.

In addition, the rights and liabilities attaching to the ordinary shares in the capital of BOQ are described on page 153 of the 2020 BOQ Annual Report⁴. The Annual Report was released to ASX on 14 October 2020 and may be viewed at www.asx.com.au, and is also available on the BOQ website at <http://www.boq.com.au/shareholder.htm>.

E. Additional information

Information about the Subordinated Notes is contained in the Conditions and the Pricing Supplement.

BOQ is a disclosing entity for the purposes of the Act and, as a result, is subject to regular reporting and disclosure obligations under the Act and the ASX Listing Rules. In addition, BOQ must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about BOQ that a reasonable person would expect to have a material effect on the price or value of its listed securities, including ordinary shares in the capital of BOQ.

Copies of documents lodged with the Australian Securities and Investments Commission ("ASIC") can be obtained from, or inspected at, an ASIC office and BOQ's ASX announcements may be viewed on www.asx.com.au.

Any person has the right to obtain copies of:

- BOQ's half-yearly and annual financial reports; and
- any continuous disclosure notices given by BOQ after the lodgement of the BOQ's 2020 Annual Report, but before the date of this notice,

from <http://www.boq.com.au/shareholder.htm>.

⁴ If, in accordance with the Conditions, BOQ is replaced by an Approved Successor as debtor of the Subordinated Notes and the issuer of ordinary shares, then on Conversion Holders will be issued with fully paid ordinary shares in the capital of the Approved Successor.

ANNEX A

Terms and Conditions of the Subordinated Notes

For personal use only



Terms and Conditions of Subordinated Notes

The following are the Terms and Conditions of the Subordinated Notes which, as supplemented, modified or replaced in relation to any Subordinated Notes by the relevant Pricing Supplement, will be applicable to each Series of Subordinated Notes.

Each Tranche will be the subject of a Pricing Supplement. References in the Terms and Conditions to a Pricing Supplement are references to the Pricing Supplement applicable to the relevant Tranche of Subordinated Notes.

Each Noteholder and any person claiming through or under a Noteholder is deemed to have notice of and is bound by these Terms and Conditions, the Deed Poll, the Information Memorandum, and the relevant Pricing Supplement. Copies of each of these documents (to the extent they relate to a Tranche of Subordinated Notes) are available for inspection by the holder of any Subordinated Note of such Tranche at the offices of the Issuer at its address specified in the Information Memorandum.

1 Interpretation

1.1 Definitions

The following words have these meanings in these Terms and Conditions unless the contrary intention appears:

Additional Amounts has the meaning given in Condition 10.6 ("Taxation");

Additional Tier 1 Capital has the meaning given to it in the Prudential Standards;

Alternate Currency means a currency (other than Australian Dollars) which is specified in the Pricing Supplement (in the case of Subordinated Notes) or in the terms of issue (in the case of Relevant Tier 2 Securities);

Applicable Business Day Convention means the Business Day Convention specified in the Pricing Supplement as applicable to any date in respect of the Subordinated Note or, if none is specified, the Applicable Business Day Convention for such purpose is the Following Business Day Convention. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates and any other date or dates in respect of any Subordinated Notes;

Approved Successor means a holding company that replaces, or is proposed to replace, the Issuer as the ultimate holding company of the Bank of Queensland Group and that satisfies the following requirements:

- (a) the proposed successor holding company complies with all applicable legal requirements and obtains any necessary regulatory approvals (including, to the extent required, APRA's prior written approval);
- (b) the proposed successor holding company agrees to take any necessary action to give effect to an amendment to the Conditions as contemplated in Condition 6.14 ("Amendment of Terms and Conditions relating to Conversion for Successor Holding Company");
- (c) the ordinary shares of the proposed successor holding company are to be listed on the Australian Securities Exchange or any internationally recognised stock exchange;
- (d) the proposed successor holding company has a place of business in Queensland or has appointed a process agent in Queensland to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Subordinated Notes;
- (e) the proposed successor holding company has in the reasonable opinion of the Issuer, the financial capacity to perform the Issuer's obligations under these Terms and Conditions and the Deed Poll in respect of the relevant Subordinated Notes; and

- (f) the proposed replacement of the Issuer and the requirements described in paragraphs (a) to (c) would not, in the reasonable opinion of the Issuer, otherwise adversely affect the interests of Noteholders;

APRA means the Australian Prudential Regulation Authority;

ASIC means the Australian Securities and Investments Commission;

Assets means, in respect of the Issuer, its total non-consolidated gross assets as shown by the latest published audited accounts of the Issuer, but adjusted for events subsequent to the date of such accounts in such manner and to such extent as two authorised signatories of the Issuer or, if the Issuer is in Winding-Up, the Liquidator may determine to be appropriate;

ASX Listing Rules means the listing rules of the Australian Securities Exchange from time to time with any modifications or waivers in their application to the Issuer, which the Australian Securities Exchange may grant;

Austraclear means Austraclear Ltd (ABN 94 002 060 773);

Austraclear Regulations means the regulations known as the "Austraclear Regulations" together with any instructions or directions (as amended or replaced from time to time), established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

Austraclear System means the clearing and settlement system operated by Austraclear for holding securities and electronic recording and settling of transactions in those securities between the participants of that system;

Australian Securities Exchange means the securities exchange operated by ASX Limited (ABN 98 008 624 691);

Bank of Queensland Group means the Bank of Queensland Limited (ABN 32 009 656 740) and its controlled entities;

Business Day means:

- (a) a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general banking business in the place specified in the Pricing Supplement, or, if no such place is specified, Sydney and Brisbane; and
- (b) if a Subordinated Note is to be issued or paid on such Business Day, a day on which commercial banks settle payments in the relevant currency in Sydney and Brisbane and a day on which the Austraclear System is operating;

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Pricing Supplement in relation to any date applicable to any Subordinated Note, have the following meanings:

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
 - (i) such date is brought forward to the first preceding day that is a Business Day; and
 - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding applicable Interest Payment Date occurred;

- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day; and
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day;

Calculation Agent means, in respect of a Tranche, the person (if any) specified as such in the relevant Pricing Supplement. The Calculation Agent must be the same for all Subordinated Notes in a Series;

CHESS means the Clearing House Electronic Sub-register System operated by ASX Settlement Pty Limited (ABN 49 008 504 532);

Clearing System means:

- (a) the Austraclear System; or
- (b) any other clearing system specified in the Pricing Supplement;

Common Equity Tier 1 Capital has the meaning given to it in the Prudential Standards;

Condition means the correspondingly numbered condition in these Terms and Conditions;

Conversion means, upon the occurrence of a Non-Viability Trigger Event, the conversion of all or some Subordinated Notes (or a percentage of the Outstanding Principal Amount of each Subordinated Note) into Ordinary Shares of the Issuer in accordance with these Terms and Conditions. **Convert** and **Converted** shall have corresponding meanings;

Conversion Date means the applicable Non-Viability Trigger Event Date;

Conversion Number has the meaning given in Condition 6.1 ("Conversion");

Cum Value has the meaning given in Condition 6.2(a);

Corporations Act means the Corporations Act 2001 of Australia;

Costs includes costs, charges and expenses, including those incurred in connection with advisers;

Day Count Fraction means, in respect of the calculation of an amount for any period of time ("Calculation Period"), the day count fraction specified in the Pricing Supplement and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
- (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period, and (2) the number of Regular Periods normally ending in any year; and
- (ii) where the Calculation Period is longer than one Regular Period, the sum of:
- (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period, and (2) the number of Regular Periods normally ending in any year;
- (b) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- “**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (f) if **"30E/360"** or **"Eurobond Basis"** is so specified, means the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- "Y₁"** is the year, expressed as a number, in which the first day of the Calculation Period falls;
- "Y₂"** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "M₁"** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "M₂"** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "D₁"** is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- "D₂"** is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (g) if **"30E/360 (ISDA)"** is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- "Y₁"** is the year, expressed as a number, in which the first day of the Calculation Period falls;
- "Y₂"** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "M₁"** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "M₂"** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "D₁"** is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and
- "D₂"** is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30;

- (h) if **"RBA Bond Basis"** or **"Australian Bond Basis"** is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation

Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)); and
- (i) any other day count fraction specified in the Pricing Supplement;

Deed Poll means:

- (a) the Second Note and TD Deed Poll dated 18 April 2016; and
- (b) such other deed poll that supplements, amends, amends and restates, modifies or replaces the deed referred to above, or which is otherwise acknowledged in writing to be a deed poll for the purposes of the Programme,

in each case executed by the Issuer;

Denomination means the notional face value of a Subordinated Note as specified in the relevant Pricing Supplement;

Early Termination Amount means in relation to a Subordinated Note, the Outstanding Principal Amount;

Equal Ranking Instruments means instruments which satisfy the requirements set out in one of the following paragraphs (a) or (b):

- (a) any instruments, present and future, issued by the Issuer after 1 January 2013 which:
 - (i) by their terms are, or are expressed to be, subordinated in a Winding-Up to the claims of Senior Creditors;
 - (ii) qualify as Tier 2 Capital of the Issuer as described in the Prudential Standards; and
 - (iii) in a Winding-Up rank, or are expressed to rank, prior to, and senior in right of payment to, instruments which constitute Additional Tier 1 Capital or Common Equity Tier 1 Capital of the Issuer; and
- (b) any other instruments, present and future, issued by the Issuer where, the right to repayment ranks, or is expressed to rank, in a Winding-Up equally with the claims of Noteholders (irrespective of whether or not such instruments qualify as Tier 2 Capital of the Issuer as described in the Prudential Standards);

Event of Default in relation to a Subordinated Note has the meaning given to it in Condition 9.1 ("Events of Default");

Extraordinary Resolution has the same meaning as in the Meetings Provisions;

FATCA means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other

jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the United States of America Internal Revenue Service, the United States of America government or any governmental or taxation authority in any other jurisdiction;

Final Broken Amount has the meaning given to it in the Pricing Supplement;

Foreign Holder means a Noteholder (a) whose address in the Register is a place outside Australia or (b) who the Issuer otherwise believes may not be a resident of Australia and, in either case, the Issuer is not satisfied that the laws of the Noteholder's country of residence would permit the offer to, or the holding or acquisition of Ordinary Shares by, the Noteholder (but the Issuer will not be bound to enquire into those laws), either unconditionally or after compliance with conditions which the Issuer, in its absolute discretion, regards as acceptable and not unduly onerous;

Government Agency means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity;

Ineligible Holder means:

- (a) a Noteholder who is prohibited or restricted by any applicable law or regulation in force in Australia (including, but not limited to, Chapter 6 of the Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 of Australia, the Financial Sector (Shareholdings) Act 1998 of Australia and Part IV of the Competition and Consumer Act 2010 of Australia) from being offered, holding or acquiring Ordinary Shares (provided that if the relevant prohibition or restriction only applies to the Noteholder in respect of some of its Subordinated Notes, it shall only be treated as an Ineligible Holder in respect of those Subordinated Notes and not in respect of the balance of its Subordinated Notes). The Issuer will be entitled to treat a Noteholder as not being an Ineligible Holder unless the Noteholder has otherwise notified it after the Issue Date and prior to the Non-Viability Trigger Event Date; or
- (b) a Foreign Holder;

Information Memorandum means, in respect of a Subordinated Note:

- (a) the Information Memorandum dated 17 December 2019 or the then latest information memorandum which replaces that document; or
- (b) the information memorandum or other offering document referred to in the Pricing Supplement,

in each case prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of that Subordinated Note and all other documents incorporated by reference in it, including any applicable Pricing Supplement and any other applicable amendments or supplements to it;

Initial Broken Amount has the meaning given to it in the Pricing Supplement;

Interest Accrual Period means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided that the first Interest Accrual Period commences on and includes the Interest Commencement Date and the final Interest Accrual Period ends on but excludes the Maturity Date;

Interest Commencement Date means the Issue Date or such other date as may be specified as such in the Pricing Supplement;

Interest Determination Date means the date so specified in, or determined in accordance with, the Pricing Supplement;

Interest Payment Date means the date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement and adjusted, if necessary, in accordance with the Applicable Business Day Convention;

Interest Period means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided that the first Interest Period commences on and includes the Interest Commencement Date and the final Interest Period ends on but excludes the Maturity Date;

Interest Period End Date means the dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement as adjusted, if necessary, in accordance with the Applicable Business Day Convention or, if no date or dates are specified in the Pricing Supplement, means the dates which correspond with the Interest Payment Dates in respect of the Subordinated Notes;

Interest Rate means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Subordinated Notes specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement and in the case of floating rate Subordinated Notes, the rate determined in accordance with Condition 7.3 ("Interest - floating rate");

Issue Date means the day on which any Subordinated Note is or is to be issued as specified in or determined in accordance with the provisions of the Pricing Supplement;

Issue Date VWAP means the VWAP during the period of 20 ASX Business Days on which trading in Ordinary Shares took place immediately preceding but not including the Issue Date, as adjusted in accordance with Condition 6 ("Procedures for Conversion");

Issuer means Bank of Queensland Limited (ABN 32 009 656 740);

Junior Ranking Capital Instruments means instruments, present and future, issued by the Issuer which:

- (a) by their terms are, or are expressed to be, subordinated in a Winding-Up to the claims of Noteholders and other Equal Ranking Instruments; and
- (b) qualify as Additional Tier 1 Capital or Common Equity Tier 1 Capital of the Issuer (or, in the case of any instruments issued prior to 1 January 2013, were treated as constituting Tier 1 Capital in accordance with the Prudential Standards which applied prior to 1 January 2013 irrespective of whether or not such instruments are treated as constituting Tier 1 Capital in accordance with any transitional arrangements approved by APRA);

Liabilities means, in respect of the Issuer, its total non-consolidated gross liabilities as shown by its latest published audited accounts, but adjusted for events subsequent to the date of such accounts in such manner and to such extent as two authorised signatories of the Issuer or, if the Issuer is in Winding-Up, the Liquidator may determine to be appropriate;

Liquidator means the liquidator or other official responsible for the conduct and administration of a Winding-Up;

Margin means the margin specified in, or determined in accordance with the provisions of, the Pricing Supplement;

Maturity Date means the date for redemption of a Subordinated Note as specified in the Pricing Supplement;

Maturity Redemption Amount means in relation to a Subordinated Note, the Outstanding Principal Amount or such other redemption amount as may be specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement;

Maximum Conversion Number has the meaning given in Condition 6.1 ("Conversion");

Meetings Provisions means the provisions for the convening of meetings of, and passing of resolutions by, Noteholders set out in the schedule to the Deed Poll;

Non-Viability Trigger Event occurs when APRA notifies the Issuer in writing that it believes:

- (a) Conversion or Write-off of all or some Subordinated Notes or conversion, write-off or write-down of all or some of the capital instruments of the Issuer is necessary because, without it, the Issuer would become non-viable; or
- (b) without a public sector injection of capital, or equivalent support, the Issuer would become non-viable;

Non-Viability Trigger Event Date has the meaning given in Condition 5.1(c)(iii);

Noteholder means a means a person whose name is for the time being entered in the Register as the holder of a Subordinated Note or, where a Subordinated Note is owned jointly by two or more persons, the persons whose names appear in the Register as the joint owners of that Subordinated Note;

Ordinary Resolution has the same meaning as in the Meetings Provisions;

Ordinary Share means a fully paid ordinary share in the capital of the Issuer;

Outstanding means, on any date, Subordinated Notes which have not been redeemed, Converted, Written-off or satisfied in full by the Issuer;

Outstanding Principal Amount means in respect of a Subordinated Note which is Outstanding at any time, the Denomination of the Subordinated Note less the aggregate of any part of the principal amount of that Subordinated Note that has been paid or otherwise satisfied by the Issuer and for such purposes:

- (a) if the principal amount of a Subordinated Note has from time to time been Converted or Written-off as described in, and in accordance with, Conditions 5 ("Non-viability, Conversion and Write-off") and 6 ("Procedures for Conversion") the principal amount of the Subordinated Note will be reduced by the principal amount so Converted or Written-off; and
- (b) if an amount is required to be determined in Australian Dollars, the Australian Dollar equivalent of the Alternate Currency is to be determined on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of such relevant Alternate Currency in the Sydney foreign exchange market quoted by any leading bank selected by the Issuer on the relevant calculation date. The calculation date is, at the discretion of the Issuer, either the date of the Pricing Supplement for such Subordinated Notes or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney or such other date as may be specified by the Issuer in the Pricing Supplement;

Payment Date means, in respect of a Subordinated Note, an Interest Payment Date, the Maturity Date or other relevant payment date (including an early payment date);

Pricing Supplement means a pricing supplement prepared and issued in relation to Subordinated Notes of a relevant Tranche or Series confirmed in writing by the Issuer;

Programme means the Issuer's uncommitted revolving programme for the issuance of Subordinated Notes and other debt instruments established under the Transaction Documents;

Prudential Standards means the prudential standards and guidelines published by APRA and applicable to the Issuer from time to time;

Purchase Price means, in respect of a Subordinated Note, the purchase price so specified in the relevant Pricing Supplement;

Reclassification has the meaning given in Condition 6.3 ("Adjustments to VWAP for capital reconstruction");

Record Date means, in the case of payments of interest or principal, the eighth calendar day before the relevant date for payment or such date that may be specified in the relevant Pricing Supplement;

Reference Banks means the institutions specified as such in the Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the inter-bank market that is most closely connected with the Reference Rate;

Reference Rate means, in relation to a Subordinated Note, the rate so specified in the relevant Pricing Supplement;

Register means a register, including any branch register, of Noteholders established and maintained by the Issuer in which is entered the names and addresses of Noteholders whose Subordinated Notes are carried on that register, the amount of Subordinated Notes held by each Noteholder and the Tranche, Series and date of issue and transfer of those Subordinated Notes, and any other particulars which the Issuer sees fit;

Registrar means:

- (a) Computershare Investor Services Pty Limited (ABN 48 078 279 277); and/or
- (b) any other person appointed by the Issuer pursuant to a Registry Services Agreement to establish and maintain the Register on the Issuer's behalf from time to time;

Registry Services Agreement means:

- (a) the agreement entitled "Registrar and Paying Agency Agreement" dated 18 December 2018 between the Issuer and Computershare Investor Services Pty Limited; and/or
- (b) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register;

Regular Period means:

- (a) in the case of Subordinated Notes where interest is scheduled to be paid only by means of regular payments, each Interest Period;
- (b) in the case of Subordinated Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Subordinated Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments,

each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

Related Entity means an entity over which the Issuer or any parent of the Issuer exercises control or significant influence, as determined by APRA from time to time;

Relevant Date means the date on which a payment in respect of the Subordinated Notes becomes due, except that if the full amount payable has not been received by the Registrar on or before the due date, it means the date on which, the full amount having been so received, notice to that effect is given to the Noteholders in accordance with Condition 13 (“Notices”);

Relevant Securities means Relevant Tier 1 Securities and Relevant Tier 2 Securities;

Relevant Tier 1 Security means a security forming part of the Tier 1 Capital of the Issuer on a “Level 1 basis” or “Level 2 basis” in accordance with the Prudential Standards which, upon the occurrence of a Non-Viability Trigger Event, may be either:

- (a) converted into Ordinary Shares; or
- (b) written-off or written-down (and all rights and claims of the holders in respect of the security shall be written-off or written-down);

Relevant Tier 2 Security means a security (other than the Subordinated Notes) forming part of the Tier 2 Capital of the Issuer on a “Level 1 basis” or “Level 2 basis” in accordance with the Prudential Standards which, upon the occurrence of a Non-Viability Trigger Event, may be either:

- (a) converted into Ordinary Shares; or
- (b) written-off or written-down (and all rights and claims of the holders in respect of the security shall be written-off or written-down);

Replacement has the meaning given in Condition 6.14(a);

Resolution means an Extraordinary Resolution or Ordinary Resolution, as the context requires;

Retail Issue means an issue of Subordinated Notes all of which are specified in a Pricing Supplement as being a retail issue. A retail issue is one in respect of which Subordinated Notes are issued pursuant to a prospectus which has been lodged with, and registered by, ASIC;

Sale and Transfer Agent means each nominee (who cannot be a Related Entity) appointed by the Issuer under a facility established for the sale or transfer of Ordinary Shares issued on Conversion on behalf of:

- (a) if the Noteholder is the operator of a Clearing System or a nominee for a common depository for any one or more Clearing Systems (such operator or nominee for a common depository acting in such capacity as is specified in the rules and regulations of the relevant Clearing System or Clearing Systems), the participants in the relevant Clearing System or Clearing Systems;
- (b) Noteholders who do not wish to receive Ordinary Shares on Conversion; or
- (c) Noteholders who are Ineligible Holders,

in accordance with Condition 6.10 (“Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder”). For the avoidance of doubt, the Issuer may appoint more than one Sale and Transfer Agent in respect of the Conversion of one or more Series of Subordinated Notes;

Senior Creditors means all depositors and other creditors (present and future) of the Issuer, including all Noteholders of the Issuer's debt:

- (a) whose claims are admitted in a Winding-Up; and
- (b) whose claims are not made as holders of indebtedness arising under:
 - (i) an Equal Ranking Instrument; or
 - (ii) a Junior Ranking Capital Instrument;

Series means a Tranche or Tranches of Subordinated Notes which are identical, except that:

- (a) the Issue Date and the amount of the first payment of interest may be different in respect of different Tranches of a Series; and
- (b) a Series may comprise Subordinated Notes in more than one Denomination;

Solvency Condition has the meaning given in Condition 4.3 ("Solvency condition");

Solvent means that each of the following is satisfied:

- (a) the Issuer is able to pay its debts as they fall due; and
- (b) the Issuer's Assets exceed its Liabilities;

Solvent Reconstruction means a scheme of amalgamation or reconstruction, not involving a bankruptcy or insolvency, where the obligations of the Issuer in relation to the outstanding Subordinated Notes are assumed by the successor entity to which all, or substantially all of the property, assets and undertaking of the Issuer are transferred or where an arrangement with similar effect not involving a bankruptcy or insolvency is implemented;

Subordinated Note means a note being a debt obligation of the Issuer constituted by and owing under the Deed Poll to a Noteholder, the details of which are recorded in, and evidenced by, inscription in the Register;

Subsidiary of an entity means another entity which is a subsidiary of the first within the meaning of Part 1.2 Division 6 of the Corporations Act;

Tax Act means the Income Tax Assessment Act 1936 of Australia and where applicable, the Income Tax Assessment Act 1997 of Australia;

Tax Legislation means (a) the Income Tax Assessment Act 1936 of Australia or the Income Tax Assessment Act 1997 of Australia (both as amended from time to time, as the case may be), and a reference to any section of the Income Tax Assessment Act 1936 includes a reference to that section as rewritten in the Income Tax Assessment Act 1997, (b) any other law setting the rate of income tax payable by the Issuer, and (c) any regulation made under such laws;

Taxes has the meaning given to that term in Condition 10.6 ("Taxation");

Tenor of a Subordinated Note means the number of days from and including its Issue Date to, and excluding, its Maturity Date;

Terms and Conditions means, in respect of a Subordinated Note, these terms and conditions as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such Subordinated Note;

Tier 1 Capital has the meaning given to it in the Prudential Standards;

Tier 2 Capital has the meaning given to it in the Prudential Standards;

Tranche means Subordinated Notes which are issued on the same Issue Date and the terms of which are identical in all respects (except that a Tranche may comprise Subordinated Notes in more than one denomination);

Transaction Documents means each of the Deed Poll, each Subordinated Note, each Pricing Supplement and the Registry Services Agreement;

VWAP means, subject to any adjustments under Condition 6.2 ("Adjustments to VWAP generally"), the average of the daily volume weighted average sale prices (expressed in Australian dollars and cents and rounded to the nearest full cent, with A\$0.005 being rounded upwards) of Ordinary Shares sold on ASX during the relevant period or on the relevant days but does not include any "crossing" transacted outside the "Open Session State" or any "special crossing" transacted at any time, each as defined in the ASX Market Rules or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares;

VWAP Period means:

- (a) in the case of a Conversion resulting from the occurrence of a Non-Viability Trigger Event, the period of 5 ASX Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Non-Viability Trigger Event Date; or
- (b) otherwise, the period for which the VWAP is to be calculated in accordance with these Terms and Conditions;

Winding-Up means the legal procedure for the liquidation of the Issuer commenced when:

- (a) a court order is made for the winding-up of the Issuer and that time for appeal of the decision has passed; or
- (b) an effective resolution is passed by shareholders or members for the winding-up of the Issuer,

other than in connection with a Solvent Reconstruction.

A Winding-Up must be commenced by a court order or an effective resolution of shareholders or members. Neither (i) the making of an application, the filing of a petition, or the taking of any other steps for the winding-up of the Issuer (or any other any procedure whereby the Issuer may be dissolved, liquidated, sequestered or cease to exist as a body corporate), nor (ii) the appointment of a receiver, administrator, administrative receiver, compulsory manager, ADI statutory manager or other similar officer (other than a Liquidator) in respect of the Issuer, constitutes a Winding-Up for the purposes of these Terms and Conditions;

Write-down means a partial Write-off. **Written-down** shall have a corresponding meaning; and

Write-off means termination, reduction and writing off or writing down in accordance with Condition 5.3 ("No further rights"). **Written-off** shall have a corresponding meaning.

1.2 References to certain general terms

Unless the contrary intention appears, a reference in these Terms and Conditions to:

- (a) these Terms and Conditions is a reference to these terms and conditions as modified, supplemented or replaced by the Pricing Supplement;
- (b) "**Australian Dollars**", "**A\$**" or "**dollars**" is a reference to the lawful currency of the Commonwealth of Australia;
- (c) a "law" includes common law, principles of equity, decree and any statute or other law made by any parliament (where a "statute" or "other law" made by parliament includes

regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them);

- (d) a “**directive**” includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (e) a document (including these Terms and Conditions) includes any variation or replacement of it;
- (f) the singular includes the plural and vice versa;
- (g) the word “**person**” includes a firm, body corporate, an unincorporated association or an authority;
- (h) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (i) anything (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively and to each of them individually;
- (j) a time of day is a reference to Sydney time;
- (k) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (l) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (m) the Issuer, the Registrar, the Calculation Agent or another Agent is a reference to the person so specified in the Pricing Supplement; and
- (n) a particular date is a reference to that date adjusted in accordance with the applicable Business Day Convention but does not apply to the date on which a Non-Viability Trigger Event occurs.

1.3 References to principal and interest

Unless the contrary intention appears, in these Terms and Conditions:

- (a) any reference to “**principal**” is taken to include the Maturity Redemption Amount and any other amount in the nature of principal payable in respect of the Subordinated Notes under these Terms and Conditions;
- (b) the principal amount of a Subordinated Note issued at a discount is to be taken as at any time to equal its denomination;
- (c) any reference to “**interest**” is taken to include any Additional Amounts and any other amount in the nature of interest payable in respect of the Subordinated Notes under these Terms and Conditions.

1.4 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Terms and Conditions.

1.5 Terms defined in Pricing Supplement

Terms which are defined in the Pricing Supplement as having a defined meaning have the same meaning when used in these Terms and Conditions but if the Pricing Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to the Subordinated Notes.

2 Form, denomination and title

2.1 Constitution under Deed Poll

The Subordinated Notes are subordinated, registered debt obligations of the Issuer constituted by, and owing under, the Deed Poll and take the form of entries in the Register. Each entry in the Register constitutes a separate and individual acknowledgment to the Noteholder of the indebtedness of the Issuer to the Noteholder.

2.2 Independent obligations

The obligations of the Issuer in respect of each Subordinated Note constitute separate and independent obligations which the Noteholder to whom those obligations are owed is entitled to enforce without having to join any other Noteholder or any predecessor in title of a Noteholder.

2.3 Currency

Subordinated Notes may be denominated in Australian Dollars or an Alternate Currency specified in the Pricing Supplement.

2.4 Denomination

Unless otherwise specified in the Pricing Supplement Subordinated Notes are issued in the denomination of A\$100,000. Subordinated Notes may only be issued if:

- (a) the consideration payable to the Issuer by the relevant Noteholder to whom the Subordinated Notes are issued is a minimum of A\$500,000 (or its equivalent in an Alternate Currency, in either case, disregarding any moneys lent by the Issuer or its associates to the Noteholder) or if the Subordinated Notes are otherwise issued in a manner which does not require disclosure to be made under Parts 6D.2 or 7.9 of the Corporations Act;
- (b) the issue is not to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
- (c) such action does not require any document to be lodged with ASIC; and
- (d) the issue complies with all applicable laws and directives of the jurisdiction in which the issue takes place.

2.5 Register conclusive

Entries in the Register in relation to a Subordinated Note constitute conclusive evidence that the person so entered is the registered owner of the Subordinated Note subject to rectification for fraud or error. No Subordinated Note will be registered in the name of more than 4 persons. A Subordinated Note registered in the name of more than one person is held by those persons as joint tenants. Subordinated Notes will be registered by name only without reference to any trusteeship. The person registered in the Register as a Noteholder of a Subordinated Note will be treated by the Issuer and the Registrar as absolute owner of that Subordinated Note and neither the Issuer nor the Registrar is, except as ordered by a court or as required by statute, obliged to take notice of any other claim to a Subordinated Note.

2.6 Noteholder absolutely entitled

Upon a person acquiring title to any Subordinated Note by virtue of becoming registered as the owner of that Subordinated Note, all rights and entitlements arising by virtue of the Deed Poll in

respect of that Subordinated Note vest absolutely in the registered owner of the Subordinated Note, such that no person who has previously been registered as the owner of the Subordinated Note has or is entitled to assert against the Issuer or the Registrar or the registered owner of the Subordinated Note for the time being and from time to time any rights, benefits or entitlements in respect of the Subordinated Note.

2.7 Location of Register

The Register will be established and maintained in Queensland unless otherwise agreed with the Registrar.

2.8 Certificates

The Subordinated Notes are issued in registered form. No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to a Subordinated Note unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

2.9 Acknowledgment

Where the Austraclear System is recorded in the Register as the Noteholder, each person in whose account that Subordinated Note is recorded is deemed to acknowledge in favour of the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of the Subordinated Note does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the Subordinated Note but only indicates that such Subordinated Note is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the Subordinated Note; and
- (b) the Noteholder does not rely on any fact, matter or circumstance contrary to Condition 2.9(a).

3 Transfers

3.1 Limit on transfer

Subordinated Notes may only be transferred in whole. If the principal amount of a Subordinated Note has from time to time been Converted or Written-off as described in, and in accordance with, Conditions 5 ("Non-viability, Conversion and Write-off") and 6 ("Procedures for Conversion"), the residual principal amount of the Subordinated Note is a "whole" Subordinated Note for the purposes of this Condition 3.1 ("Limit on transfer").

3.2 Compliance with law

Unless otherwise specified in the Pricing Supplement, Subordinated Notes may only be transferred if:

- (a) in the case of Subordinated Notes to be transferred in or into Australia:
 - (i) the offer or invitation giving rise to the transfer of the Subordinated Notes is for an aggregate consideration of at least A\$500,000 (or its equivalent in an alternative currency and either case, disregarding monies lent by the transferor or its associates to the transferee) or transfer does not require disclosure to investors under Parts 6D.2 and 7.9 of the Corporations Act;
 - (ii) the transfer is not to a "retail client" for the purposes of section 761G of the Corporations Act; and
 - (iii) such action does not require any document to be lodged with ASIC; and

- (b) at all times, the transfer complies with all applicable laws or directives of the jurisdiction where the transfer takes place.

3.3 Transfer procedures

Unless Subordinated Notes are lodged in the Austraclear System, application for the transfer of Subordinated Notes must be made by the lodgment of a transfer form with the Registrar. Transfer forms are available from the Registrar. Each transfer form must be duly completed, signed by both the transferor and transferee, and accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the Subordinated Note.

Subordinated Notes entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

3.4 Registration of transfer

The transferor of a Subordinated Note is deemed to remain the holder of that Subordinated Note until the name of the transferee is entered in the Register in respect of that Subordinated Note. Transfers will not be registered during the period between 5.00 pm (Sydney time) on the relevant Record Date and the corresponding date for payment of principal or interest or later than 5.00 pm (Sydney time) on the Record Date prior to the Maturity Date of the Subordinated Note.

3.5 No charge on transfer

Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid.

3.6 Estates

A person becoming entitled to a Subordinated Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Subordinated Note or, if so entitled, become registered as the holder of the Subordinated Note.

3.7 Unincorporated associations

A transfer to an unincorporated association is not permitted.

3.8 Transfer of unidentified Subordinated Notes

Where the transferor executes a transfer of less than all Subordinated Notes of the relevant Tranche or Series registered in its name, and the specific Subordinated Notes to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the Subordinated Notes of the relevant Tranche or Series registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the Subordinated Notes registered as having been transferred equals the aggregate principal amount of the Subordinated Notes expressed to be transferred in the transfer.

3.9 CHES

Subordinated Notes which are listed on the Australian Securities Exchange will not be transferred through or registered on, CHES and are not "Approved Financial Products" (as defined for the purposes of that system).

4 Status

The Issuer is an “authorised deposit-taking institution” (“**ADI**”) as that term is defined under the Banking Act 1959 of Australia (“**Banking Act**”).

Section 13A(3) of the Banking Act provides that the assets of an ADI in Australia would, in the event of the ADI becoming unable to meet its obligations or suspending payment, be available to meet certain liabilities in priority to all other liabilities of that ADI. The liabilities which have priority, by virtue of section 13A(3) of the Banking Act, to the claims of holders in respect of the Subordinated Notes will be substantial, as such liabilities include (but are not limited to) liabilities owed to APRA in respect of any payments by APRA to holders of protected accounts held with that ADI under the Banking Act, the costs of APRA in certain circumstances, liabilities in Australia owed to holders of protected accounts held with that ADI, debts due to the Reserve Bank of Australia (“**RBA**”) and liabilities under certified industry support contracts. A “**protected account**” is an account or covered financial product that is kept by an account-holder (whether alone or jointly with one or more other account-holders) with an ADI and either:

- (i) is an account, or covered financial product that is kept under an agreement between the account-holder and the ADI requiring the ADI to pay the account-holder, on demand by the account-holder or at an agreed time by them, the net credit balance of the account or covered financial product at the time of the demand or the agreed time (as appropriate); or
- (ii) an account prescribed by regulations for the purposes of section 5(4)(a) of the Banking Act.

For the purposes of section 13(A) of the Banking Act, the assets of the ADI do not include any interest in an asset (or part of an asset) in a cover pool (as defined in the Banking Act) that may have been established for the issuance of any covered bonds.

Section 16(2) of the Banking Act also provides that certain other debts of the ADI due to APRA shall in a winding-up of an ADI have, subject to section 13A(3) of the Banking Act, priority over all other unsecured debts of that ADI. Further, under section 86 of the Reserve Bank Act 1959 of Australia, debts due by an ADI to the RBA shall, in a winding-up of that ADI, subject to sections 13A(3) of the Banking Act, have priority over all other debts of that ADI.

The Subordinated Notes do not deposit liabilities in Australia or protected accounts under such statutory provisions.

4.1 Acknowledgements

Each Noteholder by its purchase or holding of Subordinated Notes is taken to acknowledge that:

- (a) the Issuer intends that Subordinated Notes constitute Tier 2 Capital and be able to absorb losses at the point of non-viability as described in the Prudential Standards;
- (b) the Issuer’s obligations in respect of Subordinated Notes are subordinated in the manner provided in Condition 4.2 (“Status and Subordination”); and
- (c) Subordinated Notes are subject to Conversion or Write-off in accordance with Conditions 5 (“Non-viability, Conversion and Write-off”) and 6 (“Procedures for Conversion”). The Pricing Supplement will specify whether the primary method of loss absorption will be:
 - (i) Conversion, subject to possible Write-off in accordance with Condition 5.3 (“No further rights”); or

- (ii) Write-off without Conversion in accordance with Condition 5.3 ("No further rights").

If the Pricing Supplement does not specify the primary method of loss absorption, the primary method of loss absorption will be Conversion, subject to possible Write-off in accordance with Condition 5.3 ("No further rights").

4.2 Status and Subordination

- (a) Noteholders do not have any right to prove in a Winding-Up in respect of Subordinated Notes, except as permitted under Condition 4.4 ("Winding-Up").
- (b) The Subordinated Notes are direct and unsecured subordinated obligations of the Issuer and will rank for payment in a Winding-Up as set out in Condition 4.4 ("Winding-Up").
- (c) Subordinated Notes will not constitute protected accounts or deposit liabilities of the Issuer in Australia for the purposes of the Banking Act.

4.3 Solvency condition

Prior to a Winding-Up:

- (a) the obligation of the Issuer to make any payment of principal, interest or Additional Amounts in respect of Subordinated Notes shall be conditional upon the Issuer being Solvent at the time the payment or other amount owing falls due; and
- (b) no payment of principal, interest or Additional Amounts shall be made in respect of Subordinated Notes except to the extent that the Issuer may make such payment and still be Solvent immediately thereafter.

A certificate as to whether the Issuer is Solvent signed by two authorised signatories of the Issuer or, if the Issuer is in Winding-Up, the Liquidator, shall, in the absence of fraud or manifest or proven error, be conclusive evidence of the information contained in that certificate. In the absence of such a certificate, a Noteholder shall be entitled to assume (unless the contrary is proved) that the Issuer is and will after any payment aforesaid be Solvent.

For the avoidance of doubt, and provided that Subordinated Notes have not been Converted or Written-off:

- (i) interest will continue to accrue on any principal not paid as a consequence of Condition 4.3(b) at the Interest Rate; and
- (ii) any principal, interest or Additional Amounts not paid to a Noteholder as a consequence of Condition 4.3(b) accumulates with compounding.

Any amount not paid as a consequence of Condition 4.3(b): (x) remains a debt owing to the Noteholder by the Issuer until it is paid and shall be payable on the first date on which paragraphs (a) and (b) of this Condition 4.3 ("Solvency condition") would allow payment of that amount (whether or not such date is otherwise an Interest Payment Date or other date on which such amount falls due); and (y) shall not constitute an Event of Default.

4.4 Winding-Up

In a Winding-Up:

- (a) Noteholders shall have no right or claim against the Issuer in respect of the principal of, interest on or Additional Amounts relating to their Subordinated Notes, to the extent such Subordinated Notes have been Converted or Written-Off; and

- (b) the rights and claims of Noteholders against the Issuer to recover any principal, interest or Additional Amounts in respect of such Subordinated Notes that have not been Converted or Written-off:
- (i) shall be subordinate to, and rank junior in right of payment to, the obligations of the Issuer to Senior Creditors and all such obligations to Senior Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Subordinated Notes;
 - (ii) shall rank equally with the obligations of the Issuer to the holders of other Subordinated Notes that have not been Converted or Written-off, and the obligations of the Issuer to holders of Equal Ranking Instruments; and
 - (iii) shall rank prior to, and senior in right of payment to, the obligations of the Issuer to holders of Ordinary Shares, and other Junior Ranking Capital Instruments.

Unless and until Senior Creditors have been paid in full, Noteholders must not claim in the Winding-Up in competition with Senior Creditors so as to diminish any payment which, but for that claim, Senior Creditors would have been entitled to receive.

In a Winding-Up, Noteholders shall only be entitled to prove for any sums payable in respect of their Subordinated Notes as a liability which is subject to prior payment in full of Senior Creditors. Noteholders waive, to the fullest extent permitted by law, any right to prove in a Winding-Up as a creditor ranking for payment in any other manner.

4.5 No Set-Off

Neither the Issuer nor any Noteholder is entitled to set-off any amounts due in respect of Subordinated Notes held by the Noteholder against any amount of any nature owed by the Issuer to the Noteholder or by the Noteholder to the Issuer.

4.6 Clawback

Each Noteholder by its purchase or holding of a Subordinated Note is taken to have irrevocably acknowledged and agreed that it shall pay or deliver to the Liquidator any payment or asset, whether voluntary or in any other circumstances, received by the Noteholder from or on account of the Issuer (including by way of credit, set-off or otherwise howsoever) or from any Liquidator (or any provisional or other liquidator, receiver, manager or statutory manager of the Issuer) in breach of either this Condition 4.6 ("Clawback") or Condition 9 ("Events of Default").

4.7 Other provisions

Each Noteholder by its purchase or holding of a Subordinated Note is taken to have irrevocably acknowledged and agreed:

- (a) that Condition 4.2 ("Status and Subordination") constitutes a debt subordination for the purposes of section 563C of the Corporations Act;
- (b) without limiting its rights existing otherwise than as holder of a Subordinated Note, that it must not exercise its voting rights as an unsecured creditor in the Winding-Up of the Issuer to defeat, negate or in any way challenge the enforceability of the subordination in Condition 4.2 ("Status and Subordination"); and
- (c) that the debt subordination effected by Condition 4.2 ("Status and Subordination") is not affected by any act or omission of the Issuer or a Senior Creditor which might otherwise affect it at law or in equity.

No consent of any Senior Creditor shall be required for any amendment of Condition 4.2 ("Status and Subordination") in relation to any Outstanding Subordinated Notes.

4.8 Amendments affecting regulatory treatment

No amendment to the Terms and Conditions of a Subordinated Note that at the time of such amendment qualifies as Tier 2 Capital is permitted without the prior written consent of APRA if such amendment may affect the eligibility of the Subordinated Note as Tier 2 Capital as described in the Prudential Standards.

5 Non-viability, Conversion and Write-off

5.1 Non-Viability Trigger Event

- (a) If a Non-Viability Trigger Event occurs, the Issuer must:
- (i) subject to Condition 5.3 (“No further rights”), Convert; or
 - (ii) if the Pricing Supplement specifies that the primary method of loss absorption will be Write-off without Conversion in accordance with Condition 5.3 (“No further rights”), Write-off,
- in either case, all Subordinated Notes or, where paragraph (a) of the definition of “Non-Viability Trigger Event” applies, an amount of Subordinated Notes (or a percentage of the Outstanding Principal Amount of each Subordinated Note) as is necessary to satisfy APRA that the Issuer will not become non-viable.
- (b) In determining the Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Note which must be Converted or Written-Off in accordance with Condition 5.1(a), the Issuer will:
- (i) first, convert, write-off or write-down an amount of the face value or outstanding principal amount of all outstanding Relevant Tier 1 Securities before Conversion, Write-off or Write-down of the Subordinated Notes; and
 - (ii) second, if conversion, write-off or write-down of those Relevant Tier 1 Securities is not sufficient to satisfy APRA that the Issuer would not become non-viable, Convert, Write-off or Write-down (in the case of the Subordinated Notes) and convert, write-off or write-down (in the case of any other Relevant Tier 2 Securities), on a pro-rata basis or in a manner that is otherwise, in the opinion of the Issuer, fair and reasonable, the face value or Outstanding Principal Amount of the Subordinated Notes and any Relevant Tier 2 Securities (subject to such adjustments as the Issuer may determine to take into account the effect on marketable parcels and whole numbers of Ordinary Shares and any Subordinated Notes or Relevant Tier 2 Securities remaining on issue, and the need to effect the conversion immediately) and, for the purposes of this Condition 5.1(b)(ii), where the Subordinated Notes and any Relevant Tier 2 Securities are denominated in one or more currencies, the Issuer may treat the principal amount of the Subordinated Notes and any Relevant Tier 2 Securities which are denominated in an Alternate Currency as being converted into Australian Dollars at such rate of exchange as the Issuer in good faith considers reasonable,
- but such determination will not impede the immediate Conversion or Write-off of the relevant Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Note (as the case may be).
- (c) If a Non-Viability Trigger Event occurs:
- (i) the Subordinated Notes or the percentage of the Outstanding Principal Amount of each Subordinated Note determined in accordance with Conditions 5.1(a) and (b), shall be Converted or Written-off immediately upon the occurrence of the Non-Viability Trigger Event in accordance with Conditions 5.2 (“Automatic Conversion or Write-off upon the occurrence of a Non-Viability Trigger Event”)

and 6 ("Procedures for Conversion"). The Conversion or Write-off will be irrevocable;

- (ii) the Issuer must give notice to Noteholders in accordance with Condition 13 ("Notices") and the ASX (if the Subordinated Notes are listed on the ASX) as soon as practicable that a Non-Viability Trigger Event has occurred and that Conversion or Write-off has occurred on the Non-Viability Trigger Event Date;
- (iii) the notice must specify (A) the date on which Conversion or Write-off occurred ("**Non-Viability Trigger Event Date**") and the Subordinated Notes or the percentage of the Outstanding Principal Amount of each Subordinated Note which was Converted or, if Condition 5.3 ("No further rights") is applicable, Written-off, and (B) details of the Relevant Securities converted, written-off or written down in accordance with Condition 5.1(b); and
- (iv) in the case of Conversion, the notice must specify the details of the Conversion process, including any details which were taken into account in relation to the effect on marketable parcels and whole numbers of Ordinary Shares, and the impact on any Subordinated Notes remaining on issue.

Failure to undertake any of the steps in Conditions 5.1(c)(ii) to (iv) does not prevent, invalidate or otherwise impede Conversion or Write-off.

5.2 Automatic Conversion or Write-off upon the occurrence of a Non-Viability Trigger Event

If a Non-Viability Trigger Event has occurred and all or some Subordinated Notes are (or a percentage of the Outstanding Principal Amount of each Subordinated Note is) required to be Converted or Written-off in accordance with Condition 5.1 ("Non-Viability Trigger Event"), then:

- (a) Conversion or Write-off of the relevant Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Note will occur in accordance with Condition 5.1 ("Non-Viability Trigger Event") and, if applicable Condition 5.3 ("No further rights"), immediately upon the Non-Viability Trigger Event Date;
- (b) in the case of Conversion and subject to Condition 6.10 ("Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder"), the entry with respect to a Noteholder's Subordinated Notes in the Register will constitute an entitlement of that Noteholder to (i) the Conversion Number of Ordinary Shares in respect of such Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Instrument in accordance with Condition 6.1 ("Conversion"), and (ii) unless the Subordinated Notes shall have been Written-off in full, to Subordinated Notes with an Outstanding Principal Amount equal to the aggregate of the remaining percentage of the Outstanding Principal Amount of each Subordinated Note, and the Issuer will recognise the Noteholder as having been issued the Conversion Number of Ordinary Shares for all purposes, in each case without the need for any further act or step by the Issuer, the Noteholder or any other person (and the Issuer will, as soon as possible thereafter and without delay on its part, take any appropriate procedural steps to record such Conversion, including updating the Register and the Ordinary Share register); and
- (c) a Noteholder has no further right or claim under these Terms and Conditions in respect of such Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Instrument (including to payments of interest or the repayment of principal), except in the case of Conversion and subject to Condition 6.10 ("Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder") in relation to the Noteholder's entitlement to the Conversion Number of Ordinary Shares in accordance with Condition 6 ("Procedures for Conversion") and the Noteholder's entitlement, if any, to Subordinated Notes representing the Outstanding Principal Amount of such Subordinated Notes which have not been required to be Converted.

5.3 No further rights

If:

- (a) for any reason, Conversion of any Subordinated Notes (or a percentage of the Outstanding Principal Amount of any Subordinated Note) required to be Converted under Condition 5.1 ("Non-Viability Trigger Event") does not occur within five ASX Business Days after the Non-Viability Trigger Event Date; or
- (b) the Pricing Supplement specifies that the primary method of loss absorption will be Write-off without Conversion in accordance with Condition 5.3 ("No further rights"),

then:

- (c) the relevant Noteholders' rights and claims under these Terms and Conditions in relation to such Subordinated Notes or the percentage of the Outstanding Principal Amount of such Subordinated Notes (including to payments of interest or the repayment of principal and, in the case of Conversion, to be issued with the Conversion Number of Ordinary Shares in respect of such Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Note), are immediately and irrevocably written-off and terminated ("Written-off") with effect on and from the Non-Viability Trigger Event Date; and; and
- (d) the Outstanding Principal Amount of the Subordinated Notes is reduced on that date by the Outstanding Principal Amount of the Subordinated Notes to be Converted or Written-off, as determined in accordance with Conditions 5.1(a) and (b) and any accrued and unpaid interest and any unpaid Additional Amounts shall be correspondingly reduced.

5.4 Consent to receive Ordinary Shares and other acknowledgements

Subject to any Write-off required in accordance with Condition 5.3 ("No further rights"), each Noteholder by its purchase or holding of a Subordinated Note irrevocably agrees that:

- (a) upon Conversion in accordance with Condition 5 ("Non-viability, Conversion and Write-off") and Condition 6 ("Procedures for Conversion"), consents to becoming a member of the Issuer and agrees to be bound by the constitution of the Issuer;
- (b) unless (x) it has given notice in accordance with Condition 6.10 ("Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder") that it does not wish to receive Ordinary Shares as a result of Conversion or (y) it is an Ineligible Holder, it is obliged to accept Ordinary Shares of the Issuer on Conversion notwithstanding anything that might otherwise affect a Conversion of Subordinated Notes including:
 - (i) any change in the financial position of the Issuer since the issue of the Subordinated Notes;
 - (ii) any disruption to the market or potential market for Ordinary Shares or capital markets generally; or
 - (iii) any breach by the Issuer of any obligation in connection with the Subordinated Notes;
- (c)
 - (i) Conversion is not subject to any conditions other than those expressly provided for in Condition 5 ("Non-viability, Conversion and Write-off") and Condition 6 ("Procedures for Conversion");

- (ii) Conversion must occur immediately on the Non-Viability Trigger Event Date and that may result in disruption or failures in trading or dealings in the Subordinated Notes;
- (iii) it will not have any rights to vote in respect of any Conversion (whether as a Noteholder or as a prospective holder of an Ordinary Share); and
- (iv) notwithstanding Condition 6.9 ("Status and listing of Ordinary Shares"), Ordinary Shares issued on Conversion may not be quoted at the time of Conversion or at all;
- (d) that where Condition 5.3 ("No further rights") applies, no other conditions or events will affect the operation of that Condition and it will not have any rights to vote in respect of any Write-off under that Condition; and
- (e) that it has no remedies on account of the failure of the Issuer to issue Ordinary Shares in accordance with Condition 6 ("Procedures for Conversion") other than, subject to Condition 5.3 ("No further rights"), to seek specific performance of the Issuer's obligation to issue Ordinary Shares.

5.5 Issue of ordinary shares of successor holding company

Where there is a replacement of the Issuer as the ultimate holding company of the Bank of Queensland Group and the successor holding company is an Approved Successor, the Conditions may be amended in accordance with Condition 6.14 ("Amendment of Terms and Conditions relating to Conversion for Successor Holding Company").

5.6 No Conversion at the option of the Noteholders

Noteholders do not have a right to request Conversion of their Subordinated Notes at any time.

5.7 No rights before Conversion

Before Conversion, Subordinated Notes confer no rights on a Noteholder to:

- (a) vote at, or receive notices of, any meeting of shareholders or members of the Issuer;
 - (b) subscribe for new securities or to participate in any bonus issues of securities of the Issuer; or
 - (c) otherwise participate in the profits or property of the Issuer,
- except as expressly set out in these Terms and Conditions.

6 Procedures for Conversion

6.1 Conversion

On the Non-Viability Trigger Event Date, subject to Conditions 5.3 ("No further rights") and 6.10 ("Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder"), the following provisions will apply.

- (a) The Issuer will allot and issue the Conversion Number of Ordinary Shares for each Subordinated Note to each Noteholder. The Conversion Number is, subject always to the Conversion Number being no greater than the Maximum Conversion Number, either (x) the number specified, or determined in accordance with the relevant provisions in, the Pricing Supplement or, (y) if no Conversion Number and no such provisions are specified in the Pricing Supplement, calculated according to the following formula:

$$\text{Conversion Number for each Subordinated Note} = \frac{\text{Outstanding Principal Amount of the Subordinated Note (translated into Australian Dollars in accordance with paragraph (b) of the definition of Outstanding Principal Amount, except that the calculation date shall be the Non-Viability Trigger Event Date)}}{P \times \text{VWAP}}$$

where:

P means the number, which is to be greater than zero, specified in the Pricing Supplement;

VWAP means the VWAP during the VWAP Period; and

Maximum Conversion Number means a number calculated according to the following formula:

$$\text{Maximum Conversion Number} = \frac{\text{Outstanding Principal Amount of the Subordinated Note (translated into Australian Dollars in accordance with paragraph (b) of the definition of Outstanding Principal Amount)}}{0.20 \times \text{Issue Date VWAP}}$$

- (b) Each Noteholder's rights in relation to the percentage of the Outstanding Principal Amount of each Subordinated Note that is being Converted as determined in accordance with Conditions 5.1(a) and (b) will be immediately and irrevocably terminated for an amount equal to its Outstanding Principal Amount and the Issuer will apply such Outstanding Principal Amount of each Subordinated Note to subscribe for the Ordinary Shares to be allotted and issued under Condition 6.1(a). Each Noteholder is taken to have irrevocably directed that any amount payable under this Condition 6.1 ("Conversion") is to be applied as provided for in this Condition 6.1 ("Conversion") and Noteholders do not have any right to payment in any other way.
- (c) If the total number of Ordinary Shares to be allotted and issued in respect of a Noteholder's aggregate holding of Subordinated Notes includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will not be issued or delivered on Conversion.
- (d) Subject to Condition 6.10 ("Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder"), where Subordinated Notes are Converted, the Issuer will allot and issue the Ordinary Shares to the Noteholder on the basis that a Noteholder's name and address set out in the Register (or, if not set out in the Register, otherwise held by the Registrar) are the name and address for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares issued on Conversion unless:
 - (i) a Noteholder has notified the Issuer a different name and address; and
 - (ii) provided such other information as is reasonably requested by the Issuer (including, without limitation security account details in CHESS or such other account to which the Ordinary Shares issued on Conversion are to be credited),

which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Non-Viability Trigger Event Date.

6.2 Adjustments to VWAP generally

For the purposes of calculating VWAP under Condition 6.1 ("Conversion"):

- (a) where, on some or all of the ASX Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and Subordinated Notes will be Converted into Ordinary Shares after that date and those Ordinary Shares will no longer carry that dividend or that other distribution or entitlement, then the VWAP on the ASX Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement will be reduced by an amount ("**Cum Value**") equal to:
 - (i) in the case of a dividend or other distribution, the amount of that dividend or other distribution including, if the dividend or distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or distribution who is a natural person resident in Australia under the Tax Legislation;
 - (ii) in the case of any entitlement that is not a dividend or other distribution for which adjustment is made under Condition 6.2(a)(i) which is traded on ASX on any of those ASX Business Days, the volume weighted average price of all such entitlements sold on ASX during the VWAP Period on the ASX Business Days on which those entitlements were traded (excluding trades of the kind that would be excluded in determining VWAP under the definition of that term); or
 - (iii) in the case of other entitlements for which adjustment is not made under Conditions 6.2(a)(i) or (ii), the value of the entitlement as reasonably determined by the Issuer; and
- (b) where, on some or all of the ASX Business Days in the VWAP Period, Ordinary Shares have been quoted as ex dividend or ex any other distribution or entitlement, and Subordinated Notes will be Converted into Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the ASX Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement will be increased by the Cum Value.

6.3 Adjustments to VWAP for capital reconstruction

- (a) Where during the relevant VWAP Period there is a change to the number of Ordinary Shares on issue because the Ordinary Shares are reconstructed, consolidated, divided or reclassified (in a manner not involving any cash payment or the giving of another form of consideration to or by holders of Ordinary Shares) ("**Reclassification**") into a lesser or greater number, the daily VWAP for each day in the VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reclassification basis will be adjusted by multiplying the VWAP applicable on the ASX Business Day immediately before the date of any such Reclassification by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares immediately before the Reclassification; and

B means the aggregate number of Ordinary Shares immediately after the Reclassification.

- (b) Any adjustment made by the Issuer in accordance with Condition 6.3(a) will be effective and binding on Noteholders under these Terms and Conditions and these Terms and Conditions will be construed accordingly.

6.4 Adjustments to Issue Date VWAP generally

For the purposes of determining the Issue Date VWAP under Condition 6.1 ("Conversion"), adjustments will be made in accordance with Conditions 6.2 ("Adjustments to VWAP generally") and 6.3 ("Adjustments to VWAP for capital reconstruction") during the VWAP Period for the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

- (a) may be made by the Issuer in accordance with Conditions 6.5 ("Adjustments to Issue Date VWAP for bonus issues"), 6.6 ("Adjustments to Issue Date VWAP for capital reconstruction") and 6.7 ("No adjustment to Issue Date VWAP in certain circumstances"); and
- (b) if so made, will be effective and binding on Noteholders under these Terms and Conditions and these Terms and Conditions will be construed accordingly.

6.5 Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to Conditions 6.5(b) and 6.5(c), if the Issuer makes a pro-rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally (in a manner not involving any cash payment or the giving of another form of consideration to or by holders of Ordinary Shares), the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_o \times RD / (RD + RN)$$

where:

V means the Issue Date VWAP applying immediately after the application of this formula;

V_o means the Issue Date VWAP applying immediately prior to the application of this formula;

RD means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue; and

RN means the number of Ordinary Shares issued pursuant to the bonus issue.

- (b) For the avoidance of doubt, Condition 6.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purposes of this Condition 6.5 (Adjustments to Issue Date VWAP for bonus issues), an issue will be regarded as a bonus issue notwithstanding that the Issuer does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing the Issuer is not in contravention of the ASX Listing Rules.

6.6 Adjustments to Issue Date VWAP for capital reconstruction

If at any time after the Issue Date there is a change to the number of Ordinary Shares on issue because of a Reclassification (in a manner not involving any cash payment or the giving of another form of consideration to or by holders of Ordinary Shares) into a lesser or greater number, the Issue Date VWAP will be adjusted by multiplying the Issue Date VWAP applicable

on the ASX Business Day immediately before the date of any such Reclassification by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares on issue immediately before the Reclassification; and

B means the aggregate number of Ordinary Shares on issue immediately after the Reclassification.

6.7 No adjustment to Issue Date VWAP in certain circumstances

Notwithstanding the provisions of Condition 6.5 ("Adjustments to Issue Date VWAP for bonus issues") and 6.6 ("Adjustments to Issue Date VWAP for capital reconstruction"), no adjustment will be made to the Issue Date VWAP where any such adjustment (expressed in Australian dollars and cents and rounded to the nearest whole cent with A\$0.005 being rounded upwards) would be less than one per cent of the Issue Date VWAP then in effect.

6.8 Announcement of adjustments to Issue Date VWAP

The Issuer will notify any adjustment to the Issue Date VWAP under this Condition 6 ("Procedures for Conversion") to ASX and to the Noteholders in accordance with Condition 13 ("Notices") within 10 ASX Business Days of the Issuer determining the adjustment and the adjustment will be final and binding.

6.9 Status and listing of Ordinary Shares

- (a) Ordinary Shares issued or arising from Conversion will rank equally with all other fully paid Ordinary Shares provided that the rights attaching to the Ordinary Shares issued or arising from Conversion do not take effect until 5.00pm (Sydney time) on the Non-Viability Trigger Event Date (or such other time required by APRA).
- (b) The Issuer will use all reasonable endeavours to list the Ordinary Shares issued on Conversion of Subordinated Notes on ASX.

6.10 Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder

- (a) If Subordinated Notes are required to be Converted and the Noteholder is the operator of a Clearing System or a nominee for a common depository for any one or more Clearing Systems (such operator or nominee for a common depository acting in such capacity as is specified in the rules and regulations of the relevant Clearing System or Clearing Systems), then, with effect from the Non-Viability Trigger Event Date, the Noteholder's rights in relation to each such Subordinated Note being Converted shall be immediately and irrevocably terminated and the Issuer will issue the relevant aggregate Conversion Number of Ordinary Shares in accordance with the procedure in clause 6.1(b) to one or more Sale and Transfer Agents for no additional consideration to hold on trust for sale for the benefit of the participants in, or members of, the relevant Clearing System or Clearing Systems who held the corresponding Subordinated Notes through the relevant Clearing System or Clearing Systems immediately prior to Conversion ("**Clearing System Participants**"). A Clearing System Participant will be entitled to receive Ordinary Shares (or the proceeds of the sale of Ordinary Shares) in accordance with this Condition 6.10 ("Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder").
- (b) Where Ordinary Shares are issued to one or more Sale and Transfer Agents in accordance with Condition 6.10(a), a Clearing System Participant may, no later than the

date specified in the Pricing Supplement ("Clearing System Cut-off Date"), provide to the Issuer and the relevant Sale and Transfer Agent:

- (i) its name and address for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares issued on Conversion;
- (ii) the Noteholder's security account details in CHESSE or such other account to which the Ordinary Shares issued on Conversion are to be credited; and
- (iii) such other information as is reasonably requested by the Issuer,

and, if it does so, the Clearing System Participant must make arrangements to transfer the relevant number of Subordinated Notes held by it through the relevant Clearing System or Clearing Systems immediately prior to Conversion to the Issuer (or the Issuer's nominee) in accordance with accepted market practice, and the rules and regulations of the relevant Clearing System or Clearing Systems or in such other manner that is, in the opinion of the Issuer, fair and reasonable. The Issuer and the relevant Sale and Transfer Agent will, as soon as possible thereafter and without delay on the part of the Issuer or the relevant Sale and Transfer Agent, take any appropriate procedural steps to record the transfer of the relevant Ordinary Shares to the Clearing System Participant, including updating the Ordinary Share register.

(c) If a Clearing System Participant:

- (i) fails to provide the information required by Condition 6.10(b) by the Clearing System Cut-off Date;
- (ii) notifies the Issuer that it does not wish to receive Ordinary Shares on or prior to the Clearing System Cut-off Date; or
- (iii) would be an Ineligible Holder if the Clearing System Participant's name had been entered in a Register as the owner of the corresponding Subordinated Notes immediately prior to Conversion,

then, with effect from the Clearing System Cut-off Date, the Clearing System Participant will cease to be entitled to receive Ordinary Shares in relation to each corresponding Subordinated Note which was Converted and at the first opportunity to sell the Ordinary Shares after the Clearing System Cut-off Date, the Sale and Transfer Agent will arrange for their sale at market value and pay the proceeds received after deducting any applicable brokerage, stamp duty and other similar taxes and charges to the Clearing System Participant.

(d) If Subordinated Notes are required to be Converted and:

- (i) the Noteholder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of Conversion, which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Non-Viability Trigger Event Date; or
- (ii) the Noteholder is an Ineligible Holder,

then, on the Non-Viability Trigger Event Date, the Noteholder's rights (including to payments of interest or Additional Amounts, or the repayment of principal) in relation to each such Subordinated Note being Converted are immediately and irrevocably terminated and the Issuer will issue the Conversion Number of Ordinary Shares to one or more Sale and Transfer Agents for no additional consideration to hold on trust for sale for the benefit of the relevant Noteholder. At the first opportunity to sell the Ordinary Shares, each Sale and Transfer Agent will arrange for their sale at market

value and pay the proceeds received after deducting any applicable brokerage, stamp duty and other similar taxes and charges to the relevant Noteholder.

- (e) If Conversion under this Condition 6.10 ("Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder") does not occur within five ASX Business Days, then Noteholders' rights will be immediately and irrevocably terminated in accordance with Condition 5.3 ("No further rights").
- (f) The provisions of this Condition 6.10 ("Conversion: Clearing Systems, where the Noteholder does not wish to receive Ordinary Shares or is an Ineligible Holder") will not impede the immediate Conversion or Write-off of the relevant number of Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Note (as the case may be).

6.11 Conversion or Write-off if amounts not paid

For the avoidance of doubt, Conversion or Write-off may occur even if an amount is not paid to a Noteholder as a consequence of Condition 4.3 ("Solvency condition").

6.12 Conversion or Write-off after Winding-Up commences

If an order is made by a court, or an effective resolution is passed, for a Winding-Up, and a Non-Viability Trigger Event occurs, then Conversion or Write-off shall occur (subject to Condition 5.3 ("No further rights")) in accordance with Conditions 5.1 ("Automatic Conversion or Write-off upon the occurrence of a Non-Viability Trigger Event") and 5.2 ("Non-Viability Trigger Event").

6.13 Conversion or Write-off of a percentage of Outstanding Principal Amount

If under these Terms and Conditions it is necessary to Convert or Write-off a percentage of the Outstanding Principal Amount upon the occurrence of a Non-Viability Trigger Event, Condition 6 ("Procedures for Conversion") will apply to the Conversion or Write-off as if references to the Outstanding Principal Amount were references to the relevant percentage of the Outstanding Principal Amount to be Converted or Written-off multiplied by the Outstanding Principal Amount.

6.14 Amendment of Terms and Conditions relating to Conversion for Successor Holding Company

- (a) If:
 - (i) it is proposed that the Issuer be replaced as the ultimate holding company of the Bank of Queensland Group by an Approved Successor ("Replacement"); and
 - (ii) the Approved Successor agrees to expressly assume the Issuer's obligations in respect of the Subordinated Notes by entering into a deed poll for the benefit of Noteholders under which it agrees (among other things):
 - (A) to deliver fully paid ordinary shares in the capital of the Approved Successor ("**Approved Successor Shares**") under all circumstances when the Issuer would have otherwise been obliged to deliver Ordinary Shares on a Conversion, subject to the same terms and conditions as set out in these Terms and Conditions as amended by this Condition 6.14 ("Amendment of Terms and Conditions relating to Conversion for Successor Holding Company"); and
 - (B) to use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure quotation of the Approved Successor Shares issued under these Terms and Conditions on the stock exchanges

on which the other Approved Successor Shares are quoted at the time of a Conversion,

the Issuer may, with APRA's prior written approval, but without the authority, assent or approval of Noteholders, give a notice (an "**Approved Replacement Notice**") to Noteholders (which, if given, must be given as soon as practicable before the Replacement and in any event no later than 10 ASX Business Days before the Replacement occurs).

- (b) An Approved Replacement Notice must specify the amendments to these Terms and Conditions in respect of the Subordinated Notes which will be made in accordance with this Condition 6.14 ("Amendment of Terms and Conditions relating to Conversion for Successor Holding Company"), being those amendments which in the Issuer's reasonable opinion are necessary, expedient or appropriate to effect the substitution of the Approved Successor as the debtor in respect of Subordinated Notes and the issuer of ordinary shares on Conversion (including such amendments as are necessary, expedient or appropriate for the purposes of complying with the provisions of Chapter 2L of the Corporations Act where the Approved Successor is not an authorised deposit-taking institution under the Banking Act).
- (c) An Approved Replacement Notice, once given, is irrevocable.
- (d) If the Issuer gives an Approved Replacement Notice to Noteholders in accordance with Condition 6.14(a), then with effect on and from the date specified in the Approved Replacement Notice:
 - (i) the Approved Successor will assume all of the obligations of, and succeed to, and be substituted for, and may exercise every right and power of, the Issuer in respect of the Subordinated Notes with the same effect as if the Approved Successor had been the original Issuer of the Subordinated Notes;
 - (ii) the Issuer (or any corporation which has previously assumed the obligations of the Issuer) will be released from its liability under these Terms and Conditions in respect of the Subordinated Notes; and
 - (iii) references to the Issuer in these Terms and Conditions will be taken to be references to the Approved Successor and references to Ordinary Shares in these Terms and Conditions will be taken to be references to Approved Successor Shares.
- (e) If the Issuer gives an Approved Replacement Notice in accordance with Condition 6.14(a), then each Noteholder by its purchase and holding of a Subordinated Note shall be taken to have irrevocably consented to becoming a member of the Approved Successor in respect of Approved Successor Shares issued on Conversion and to have agreed to be bound by the constitution of the Approved Successor.
- (f) The Issuer must not issue an Approved Replacement Notice unless:
 - (i) APRA is satisfied that the capital position of the Issuer on a "Level 1 basis" and "Level 2 basis" in accordance with the Prudential Standards will not be adversely affected by the Replacement; or
 - (ii) the Approved Successor or another entity which is not a Related Entity (other than an entity which is a direct or indirect parent entity of the Issuer) and is approved by APRA subscribes for Ordinary Shares or other capital instruments acceptable to APRA in such amount as may be necessary, or take other steps acceptable to APRA to ensure that the capital position of the Issuer on a "Level 1 basis" and "Level 2 basis" in accordance with the Prudential Standards will not be adversely affected by the Replacement, including, if required by APRA or the Prudential Standards, undertaking any capital injection in relation to the Issuer to replace the Subordinated Notes.

Any capital injection carried out pursuant to Condition 6.14(f)(ii) must:

- (A) be unconditional;
- (B) occur simultaneously with the substitution of the Approved Successor; and
- (C) be of equal or better quality capital and at least the same amount as the Subordinated Notes, unless otherwise approved by APRA in writing.

Nothing in this Condition 6.14 ("Amendment of Terms and Conditions relating to Conversion for Successor Holding Company") prevents the Issuer from proposing, or limits, any scheme of arrangement or other similar proposal that may be put to Noteholders or shareholders or members of the Issuer.

6.15 Power of attorney

By holding a Subordinated Note each Noteholder irrevocably appoints each of the Issuer, its officers and any Liquidator or administrator of the Issuer (each an "**Attorney**") severally to be the attorney of the Noteholder with power in the name and on behalf of the Noteholder to sign all documents and transfers and do any other thing as may in the Attorney's opinion be necessary or desirable to be done in order to give effect to, or for the Noteholder to observe or perform the Noteholder's obligations under, Conditions 5 ("Non-viability, Conversion and Write-off") and 6 ("Procedures for Conversion").

The power of attorney given in this Condition 6.15 ("Power of attorney") is given for valuable consideration and to secure the performance by the Noteholder of the Noteholder's obligations under Conditions 5 ("Non-viability, Conversion and Write-off") and 6 ("Procedures for Conversion") and is irrevocable.

7 Interest

7.1 General

Subordinated Notes will be interest-bearing Notes. Subordinated Notes may bear interest at either a fixed rate or a floating rate. In relation to any Tranche of Subordinated Notes, the relevant Pricing Supplement may specify actual amounts of interest payable ("**Interest Amounts**") rather than, or in addition to, a rate or rates at which interest accrues.

The Pricing Supplement in relation to each Tranche of interest-bearing Subordinated Notes will specify which of Conditions 7.2 ("Interest - fixed rate"), 7.3 ("Interest - floating rate") and 7.4 ("Interest - other rates") will be applicable to the Subordinated Notes. Condition 7.5 ("Interest - supplemental provisions") will be applicable to each Tranche of interest-bearing Subordinated Notes save to the extent of any inconsistency with the relevant Pricing Supplement.

7.2 Interest - fixed rate

Each Subordinated Note in relation to which this Condition 7.2 ("Interest - fixed rate") is specified in the relevant Pricing Supplement as being applicable ("**Fixed Rate Subordinated Notes**") will bear interest on its Outstanding Principal Amount at the fixed coupon rate or the fixed rate or rates per annum specified in the relevant Pricing Supplement from the Issue Date of the Subordinated Notes.

Interest will be payable in arrear on the Interest Payment Dates specified in the relevant Pricing Supplement.

Interest which is required to be calculated for a period of other than a full year will be calculated on such basis as is specified as the Day Count Fraction in the relevant Pricing Supplement.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date

is not an Interest Payment Date, will amount to the Initial Broken Amount (as defined in the Pricing Supplement).

If the Maturity Date is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount (as defined in the Pricing Supplement).

7.3 Interest - floating rate

(a) *Accrual of interest*

Subordinated Notes in relation to which this Condition 7.3 ("Interest - floating rate") is specified in the relevant Pricing Supplement as being applicable ("**Floating Rate Subordinated Notes**") will bear interest in respect of each Interest Period at the rate or rates per annum determined in accordance with this Condition 7.3 ("Interest - floating rate").

Each Floating Rate Subordinated Note will bear interest on its Outstanding Principal Amount at the Interest Rate (as defined below) from the Interest Commencement Date. Interest will be payable in arrear on each Interest Payment Date. If any Interest Payment Date in respect of a Floating Rate Subordinated Note would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be determined in accordance with the Business Day Convention specified in the Pricing Supplement.

(b) *Interest Rate*

The Interest Rate payable in respect of Floating Rate Subordinated Notes shall be determined by the Calculation Agent as specified in the relevant Pricing Supplement.

(c) *Calculation of interest amount payable*

The Calculation Agent will, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of the Outstanding Principal Amount of each Subordinated Note. The amount of interest payable will be calculated by multiplying the product of the Interest Rate for such Interest Period and the Outstanding Principal Amount by the applicable Day Count Fraction and rounding the resultant figure to the nearest cent (with halves being rounded upwards).

7.4 Interest - other rates

Subordinated Notes in relation to which this Condition 7.4 ("Interest - other rates") is specified in the relevant Pricing Supplement as being applicable will bear interest at the rate or rates calculated on the basis specified in, and be payable in the amounts and in the manner determined in accordance with, the relevant Pricing Supplement.

7.5 Interest - supplemental provisions

(a) *Interest Payment Dates*

Interest on each Subordinated Note will be payable in arrear at such intervals and on such Interest Payment Dates as are specified in the relevant Pricing Supplement and on the Maturity Date.

(b) *Notification of Interest Rate, interest payable and other items*

The Calculation Agent will cause each Interest Rate, the amount of interest payable and each other amount, item or date, as the case may be, determined or calculated by it to be notified to the Issuer, the Registrar and to be notified to Noteholders in accordance with Condition 13 ("Notices") as soon as practicable after such determination or calculation but in any event not later than the fourth Business Day

thereafter. The Calculation Agent will be entitled to amend any such amount, item or date (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the previous sentence.

(c) *Determination final*

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it pursuant to these Terms and Conditions (including, without limitation, the Interest Rate for any Interest Period and the amount of interest payable for any Interest Period in respect of any Subordinated Note) is, in the absence of manifest error, final and binding on the Issuer, each Noteholder, the Registrar, and the Calculation Agent.

(d) *Accrual of interest*

Interest accrues on the Outstanding Principal Amount of each Subordinated Note. Interest ceases to accrue as from the due date for redemption of a Subordinated Note unless the relevant payment is not made in which case interest will continue to accrue thereon (as well after as before any demand or judgement) at the rate then applicable to the Outstanding Principal Amount of the Subordinated Note until the date on which the relevant payment is made or, if earlier, the seventh day after the date on which the Registrar receives the funds required to make such payment (provided that notice of such circumstance is given to the Noteholders in accordance with Condition 13 ("Notices")) except to the extent that there is failure in the subsequent payment thereof to the Noteholders.

7.6 Calculations and adjustments

The amount of interest payable in respect of any Subordinated Note for any period of less than one year is calculated by multiplying the product of the Interest Rate and the Outstanding Principal Amount by the Day Count Fraction, save that if the Pricing Supplement specifies an amount in respect of such period, the amount of interest payable in respect of such Subordinated Note for such period is equal to such specified amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period is the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

For the purposes of any calculations referred to in these Terms and Conditions and unless otherwise specified in these terms and conditions or the Pricing Supplement:

- (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest fifth decimal place (with 0.000005% being rounded to 0.00001%); and
- (b) all Australian dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up).

7.7 Calculation Agent

As soon as practicable after the relevant time on such date as these Terms and Conditions or the Pricing Supplement may require:

- (a) any Early Termination Amount, Maturity Redemption Amount or any other amount to be calculated; or
- (b) any quote to be obtained or any determination or calculation to be made by the Calculation Agent,

the Calculation Agent will be required to:

- (c) determine the Interest Rate in respect of each Series of the Subordinated Notes for the relevant Interest Accrual Period, Interest Period or Interest Payment Date;
- (d) calculate the Early Termination Amount, Maturity Redemption Amount or other amount; or
- (e) obtain such quote or make such determination or calculation,

and cause the Interest Rate for each Interest Accrual Period, Interest Period or Interest Payment Date and, if required to be calculated, any Early Termination Amount, Maturity Redemption Amount or other amount, to be notified to the Registrar and the Issuer as soon as possible after their determination but in no event later than 5.00pm on the Business Day on which such calculation is made.

The Calculation Agent must obtain relevant quotes from appropriate banks or reference agents or obtain information from such other sources as are specified in these Terms and Conditions or the Pricing Supplement or, failing which, as the Calculation Agent deems appropriate.

The calculations and determinations made by the Calculation Agent shall, in the absence of manifest error, be final and binding on the parties.

8 Redemption and purchase

No redemption or purchase of any Subordinated Note pursuant to this Condition 8 ("Redemption and purchase") may be made without the prior written approval of APRA. As set out in greater detail below approval is at the discretion of APRA and may or may not be given.

8.1 Redemption on maturity

Unless previously redeemed, or purchased and cancelled, Converted or Written-off and subject to Condition 4.3 ("Solvency condition"), each Subordinated Note shall be redeemed on maturity at its Maturity Redemption Amount, together with any interest payable under Condition 7 ("Interest").

8.2 Purchase of Subordinated Notes

The Issuer or any of its Subsidiaries may, subject to prior written approval having been obtained from APRA, at any time purchase Subordinated Notes in the open market or otherwise and at any price, provided that such Subordinated Notes are not acquired by a controlled entity that is not a tax resident of Australia unless such Subordinated Notes are acquired by it as part of a business carried on by it through a permanent establishment located within Australia. All unmatured Subordinated Notes purchased in accordance with this Condition 8.2 ("Purchase of Subordinated Notes") will be cancelled. For the purposes of the Meetings Provisions, in determining whether the provisions relating to quorum are complied with, any Subordinated Notes held in the name of the Issuer or any Subsidiaries will be disregarded.

8.3 Early redemption at the option of the Issuer

- (a) If this Condition 8.3 ("Early redemption at the option of the Issuer") is specified in the relevant Pricing Supplement as being applicable to the Subordinated Notes of any Series, and:
 - (i) subject to Conditions 4.3 ("Solvency condition") and 8.3(c), and satisfaction of any relevant conditions specified in the Pricing Supplement; and
 - (ii) unless previously redeemed, purchased and cancelled, Converted or Written-off,

then the Issuer, having given notice in accordance with Condition 8.6 ("Notice of redemption") may redeem all (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, some only) of the Subordinated Notes on the Early Redemption Date (Call) at the Early Redemption Amount (Call).

- (b) In this Condition 8 ("Redemption and purchase"):

Early Redemption Amount (Call) means, in respect of the Subordinated Notes, their Outstanding Principal Amount together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon; and

Early Redemption Date (Call) means, in the case of interest-bearing Subordinated Notes, an Interest Payment Date(s) or such other date(s) specified in the Pricing Supplement or, in the case of other Subordinated Notes, the date(s) specified in the Pricing Supplement.

- (c) The Issuer may only give a notice under Condition 8.3(a) if:

- (i) the Early Redemption Date (Call) occurs on, or after, the fifth anniversary of the Issue Date;
- (ii) the Issuer has received the prior written approval of APRA (approval is at the discretion of APRA and may or may not be given); and
- (iii) before or concurrently with redemption, the Issuer:
 - (A) replaces the Subordinated Notes with a capital instrument which is of the same or better quality (for the purposes of the Prudential Standards) than the Subordinated Notes and the replacement of the Subordinated Notes is done under conditions that are sustainable for the income capacity of the Issuer and the Bank of Queensland Group; or
 - (B) obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the Issuer and the Bank of Queensland Group, that the Issuer does not have to replace the Subordinated Notes.

8.4 Early redemption for adverse tax events

- (a) If "Early Redemption Amount (Adverse Tax Event)" is specified in the Pricing Supplement as being applicable to the Subordinated Notes of any Series and, in respect of the Subordinated Notes of any Series and subject to Conditions 4.3 ("Solvency condition") and 8.4(c), the Issuer determines (supported by an opinion, as to such determination, from legal or tax advisers of recognised standing in Australia) that an Adverse Tax Event has occurred, then the Issuer having given notice in accordance with Condition 8.6 ("Notice of redemption") may redeem all (but not, unless and to the extent that the Supplement specifies otherwise, some only) of the Subordinated Notes on the Early Redemption Date (Adverse Tax Event) at the Early Redemption Amount (Adverse Tax Event).

- (b) In this Condition 8 ("Redemption and purchase"):

Administrative Action means any judicial decision, official administrative pronouncement or action, published or private ruling, interpretative decision, regulatory procedure or policy, application or a regulatory procedure or policy and any notice or announcement (including any notice or announcement of intent to adopt or make any of those things);

Adverse Tax Event means the Issuer determines that, as a result of:

- (A) any amendment to, clarification of, or change in, the Tax Legislation which has been or will be effected; or
- (B) any Administrative Action under or in connection with the Tax Legislation or any amendment to, clarification of, or change in any such Administrative Action,

being in each case by any legislative body, court, government authority or regulatory body (irrespective of the manner in which such amendment, clarification, change or Administrative Action is announced) after the Issue Date (but which the Issuer did not expect at the Issue Date):

- (i) there is a material risk that the Issuer would be exposed to a more than *de minimis* adverse tax consequence (other than the Issuer being required to pay an Additional Amount) in relation to the Subordinated Notes;
- (ii) the Issuer determines that any interest payable on the Subordinated Notes is not, or may not be, allowed as a deduction for the purposes of Australian income tax; or
- (iii) the Issuer has or will become obliged to pay Additional Amounts in accordance with Condition 10.6 ("Taxation");

Early Redemption Amount (Adverse Tax Event) means, in respect of the Subordinated Notes, their Outstanding Principal Amount together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon; and

Early Redemption Date (Adverse Tax Event) means, in the case of interest bearing Subordinated Notes, the next Interest Payment Date or such other date specified in the Pricing Supplement or, in the case of other Subordinated Notes, the date specified in the Pricing Supplement.

- (c) The Issuer may only give a notice under Condition 8.4(c)(a) if:
 - (i) the Issuer has received the prior written approval of APRA (approval is at the discretion of APRA and may or may not be given); and
 - (ii) before or concurrently with redemption, the Issuer:
 - (A) replaces the Subordinated Notes with a capital instrument which is of the same or better quality (for the purposes of the Prudential Standards) than the Subordinated Notes and the replacement of the Subordinated Notes is done under conditions that are sustainable for the income capacity of the Issuer and the Bank of Queensland Group; or
 - (B) obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the Issuer and the Bank of Queensland Group, that the Issuer does not have to replace the Subordinated Notes.

8.5 Early redemption for regulatory events

- (a) If, in respect of the Subordinated Notes of any Series and subject to Conditions 4.3 ("Solvency condition") and 8.5(c), the Issuer determines (supported, in the case of an event described in paragraph (A) of the definition of "Regulatory Event" below, by an opinion as to such determination from advisers of recognised standing in Australia) that a Regulatory Event has occurred, then the Issuer having given notice in accordance with Condition 8.6 ("Notice of redemption") may redeem all (but not, unless and to the extent that the Supplement specifies otherwise, some only) of the Subordinated Notes of such Series on the Early Redemption Date (Regulatory Event) at the Early Redemption Amount (Regulatory Event).
- (b) In this Condition 8 ("Redemption and purchase"):

Early Redemption Amount (Regulatory Event) means, in respect of the Subordinated Notes, their Outstanding Principal Amount together with (unless otherwise specified in the Supplement) accrued interest (if any) thereon;

Early Redemption Date (Regulatory Event) means, in the case of interest bearing Subordinated Notes, the next Interest Payment Date or such other date specified in the Supplement or, in the case of other Subordinated Notes, the date specified in the Supplement; and

“Regulatory Event” means that either:

(A) as a result of any amendment to, clarification of or change (including any announcement of a change that will be introduced) in, any law or regulation of the Commonwealth of Australia or any official administrative pronouncement or action or judicial decision interpreting or applying such law or regulation, which amendment, clarification or change is effective, or pronouncement, action or decision is announced, after the Issue Date; or

(B) written confirmation is received from APRA that,

the Issuer is not or will not be entitled to treat all of the Subordinated Notes of a Series as Tier 2 Capital.

(c) The Issuer may give a notice under Condition 8.5(a) only if:

(i) the Issuer has received the prior written approval of APRA (approval is at the discretion of APRA and may or may not be given); and

(ii) as at the Issue Date, the Issuer did not expect the Regulatory Event to occur;

(iii) before or concurrently with redemption, the Issuer:

(A) replaces the Subordinated Notes with a capital instrument which is of the same or better quality (for the purposes of the Prudential Standards) than the Subordinated Notes and the replacement of the Subordinated Notes is done under conditions that are sustainable for the income capacity of the Issuer and the Bank of Queensland Group; or

(B) obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the Issuer and the Bank of Queensland Group, that the Issuer does not have to replace the Subordinated Notes.

8.6 Notice of redemption

Any notice of redemption given by the Issuer under this Condition 8 (“Redemption and purchase”) must be given in accordance with Condition 13 (“Notices”) and to the relevant Registrar, the relevant Agent and the Noteholders not more than 45 or less than 15 days before the relevant redemption date, and shall specify:

(a) the Series of Subordinated Notes subject to redemption;

(b) the Early Redemption Date (Call), Early Redemption Date (Adverse Tax Event) or Early Redemption Date (Regulatory Event), as the case may be;

(c) the Early Redemption Amount (Call), Early Redemption Amount (Adverse Tax Event) or Early Redemption Amount (Regulatory Event), as the case may be, at which such Subordinated Notes are to be redeemed;

(d) whether or not accrued interest is to be paid upon redemption and, if so, the amount thereof or the basis or method of calculation thereof, all as provided in the relevant Pricing Supplement; and

(e) subject to the Pricing Supplement specifying that a partial redemption is permissible, whether such Series is to be redeemed in whole or in part only and, if in part only, the

aggregate principal amount of the Subordinated Notes of the relevant Series which are to be redeemed. In the case of a partial redemption, the Subordinated Notes to be redeemed will be selected by the Issuer in such manner as it considers appropriate, and the notice will also specify the Subordinated Notes selected for redemption.

Any notice given under this Condition 8.6 ("Notice of redemption") is irrevocable unless a Non-Viability Trigger Event occurs, in which case, such notice will be taken to be revoked immediately and automatically. In any other case, subject to Condition 4.3 ("Solvency condition"), a notice under this Condition 8.6 ("Notice of redemption") obliges the Issuer to redeem the Subordinated Notes at the time and in the manner specified in the notice.

9 Events of Default

9.1 Events of Default

The following events or circumstances as modified by, and/or such other events as may be specified in, the Pricing Supplement (in this Condition 9, each an "**Event of Default**") shall be events giving rise to the limited remedies set out in Condition 9.2 ("Events of Default"):

- (a) the Issuer fails to pay any principal or any interest in respect of the Subordinated Notes within five Business Days of the relevant due date unless, prior to the commencement of a Winding-Up, the failure is the result of the Issuer not being Solvent at the time of that payment or if the Issuer would not be Solvent as a result of that payment; or
- (b) a Winding-Up.

9.2 Consequences of an Event of Default

- (a) In the event of the occurrence of either of the Events of Default set out above at Condition 9.1(a), a Noteholder may bring proceedings:
 - (i) to recover any amount then due and payable but unpaid on its Subordinated Notes (subject to the Issuer being able to make the payment and remain Solvent);
 - (ii) to obtain an order for specific performance of any other obligation in respect of its Subordinated Note; or
 - (iii) for the Winding-Up of the Issuer.

No remedy against the Issuer (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of the Issuer's payment obligations), other than the remedies set out in paragraphs (i) to (iii) above or, subject to Condition 4.2 ("Status and Subordination"), for proving or claiming in any Winding-Up, shall be available to a Noteholder for the recovery of amounts owing in respect of the Subordinated Notes or in respect of any breach by the Issuer of any obligation, condition or provision binding on it under the terms of the Subordinated Notes.

- (b) In the event of the occurrence of the Event of Default set out above at Condition 9.1(b):
 - (i) the Subordinated Notes of the relevant Series will, subject to Condition 9.2 (b)(ii), without further action, become due and payable and a Noteholder may institute proceedings for a Winding-Up or, subject to Condition 4.2 ("Status and Subordination"), for proving or claiming in any Winding-Up; and
 - (ii) no remedy against the Issuer (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of the Issuer's payment obligations), other than the institution of proceedings for the Winding-Up or, subject to Condition 4.2 ("Status and Subordination"), for proving or claiming in any Winding-Up, shall be available to a Noteholder of

any Subordinated Notes for the recovery of amounts owing in respect of the Subordinated Notes or in respect of any breach by the Issuer of any obligation, condition or provision binding on it under the terms of the Subordinated Notes.

9.3 Repayment

If any Subordinated Note becomes due and payable pursuant to this Condition 9 (“Events of Default”), it shall be repaid at its Early Termination Amount together with all accrued interest (if any) accrued thereon.

9.4 Notification

If an Event of Default occurs and is continuing, the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default (specifying details of it) and procure that the Registrar promptly notifies the Noteholders of the occurrence of the Event of Default by registered post to the address of the Noteholder recorded in the Register.

10 Payments

10.1 Record Date

Payments to Noteholders will be made according to the particulars recorded in the Register at 5.00 pm (Sydney time) on the relevant Record Date.

10.2 Joint holders

When a Subordinated Note is held jointly, payment will be made to the holders in their joint names unless requested otherwise.

10.3 Method of payments

Payments in respect of each Subordinated Note will be made in cash and:

- (a) if the Subordinated Notes are in the Austraclear System, by crediting on the relevant Payment Date the amount then due to the account of the Noteholder in accordance with the Austraclear Regulations; or
- (b) if the Subordinated Notes are not in the Austraclear System, by crediting on the Payment Date the amount then due to an account previously notified by the registered owner of the Subordinated Note to the Issuer and the Registrar. If the registered owner of the Subordinated Note has not notified the Issuer and the Registrar of such an account by close of business on the relevant Record Date or upon application by the registered owner of the Subordinated Note to the Issuer and the Registrar no later than close of business on the relevant Record Date, payments in respect of the relevant Subordinated Note will be made by cheque, mailed on the Business Day immediately preceding the relevant Interest Payment Date in the case of payments of interest or on the due date for redemption or repayment, in the case of payments of principal, at the Noteholder’s risk to the registered owner (or to the first named of joint registered owners) of such Subordinated Note at the address appearing in the Register as at the Record Date. Cheques to be despatched to the nominated address of a Noteholder will in such cases be deemed to have been received by the Noteholder on the relevant Payment Date and no further amount will be payable by the Issuer in respect of the relevant Subordinated Note as a result of payment not being received by the Noteholder on the due date.

10.4 Business Days

All payments must be made in accordance with the Applicable Business Day Convention.

This Condition 10.4 (“Business Days”) does not apply to the application by the Issuer pursuant to Condition 6.1(b) of the Outstanding Principal Amount of each Subordinated Note to be Converted to subscribe for Ordinary Shares to be allotted and issued under Condition 6.1 (“Conversion”).

10.5 Payment subject to fiscal laws

Payments (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Subordinated Notes are subject in all cases to:

- (a) applicable provisions of fiscal and other laws, regulations and directives; and
- (b) any withholding or deduction made under or in connection with, or in order to ensure compliance with FATCA.

10.6 Taxation

Unless this Condition 10.6 ("Taxation") is specified in the Pricing Supplement as being not applicable, all payments (whether in respect of principal redemption amount, interest or otherwise) in respect of the Subordinated Notes will be made without set-off or counterclaim and free and clear of, and without withholding or deduction for or on account of any taxes, levies, duties, charges, deductions or withholding of any nature (together, "**Taxes**") now or hereafter imposed, levied, collected, withheld or assessed, unless such withholding or deduction is made under or in connection with, or in order to ensure compliance with FATCA or is required by law. In the event that any such Taxes are imposed, levied, collected, withheld or assessed by the Commonwealth of Australia or any political subdivision therein or thereof, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amount received by the Noteholders after such withholding or deduction equals the respective amounts which would otherwise have been receivable in respect of the Subordinated Notes in the absence of such withholding or deduction, except that no Additional Amounts are payable in relation to any payments in respect of any Subordinated Note:

- (a) in respect of any Tax imposed on, or calculated having regard to, the net income of a Noteholder;
- (b) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes in respect of such Subordinated Note by reason of the Noteholders having some connection with the Commonwealth of Australia (or any political subdivision therein or thereof) other than the mere holding of such Subordinated Note or receipt of payment (whether in respect of principal, redemption amount, interest or otherwise) in respect of it;
- (c) to, or to a third party on behalf of, a Noteholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar cause for exemption to any relevant tax authority or other person in the place where payment under the Subordinated Note is made;
- (d) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of the Subordinated Note by reason of the Noteholder, or an entity having an interest in a Subordinated Note, being an associate of the Issuer within the meaning of section 128F(9) of the Tax Act;
- (e) to, or to a third party on behalf of an Australian resident Noteholder or a non-resident Noteholder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that person has not supplied a tax file number, an Australian business number (if applicable) or exemption details as may be necessary to enable the payment to be made without such withholding or deduction;
- (f) to, or to a third party on behalf of, a Noteholder where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of the Commonwealth of Australia or any similar law;
- (g) upon or with respect to the issuance of any Ordinary Shares upon Conversion; or

- (h) in such other circumstances as may be specified in the Pricing Supplement.

Notwithstanding any other provision of these Terms and Conditions, if the Issuer, or any other person through whom payments on the Subordinated Notes are made, is required to withhold or deduct amounts under or in connection with, or in order to ensure compliance with FATCA, the Issuer shall be entitled to make such withholding or deduction and shall have no obligation to gross up any payment under these Terms and Conditions or to pay any Additional Amount or other amount for such withholding or deduction.

10.7 Currency indemnity

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Noteholder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual Costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the Costs of the conversion.

11 Further issues

The Issuer may from time to time, without the consent of any Noteholder, issue (x) further Subordinated Notes having the same terms and conditions as the Subordinated Notes of any Series in all respects (or in all respects except for the first payment of interest, if any, on them and/or their denomination) so as to form a single Series with the Subordinated Notes of that Series or (y) any securities ranking equally with Subordinated Notes (on the same terms or otherwise) or ranking in priority or junior to Subordinated Notes.

References in these Terms and Conditions to the Subordinated Notes include (unless the context requires otherwise) any other Subordinated Notes issued under this Condition and forming a single Series with the Subordinated Notes.

12 Time limit for claims

A claim against the Issuer for a payment under a Subordinated Note is void unless such claim is made within 5 years from the Relevant Date of payment.

13 Notices

13.1 To the Issuer and the Registrar

A notice or other communication in connection with a Subordinated Note to the Issuer, or the Registrar must be in writing and may be given by prepaid post or delivery to the address of the addressee or by facsimile to the facsimile number of the addressee specified:

- (a) in the Information Memorandum; or
- (b) as otherwise agreed between those parties from time to time and notified to the Noteholders.

13.2 To Noteholders

A notice or other communication in connection with a Subordinated Note to the Noteholder must be in writing and may be given by:

- (a) an advertisement published in The Australian Financial Review or any other newspaper or newspapers circulating in Australia generally; or
- (b) if an additional or alternate newspaper is specified in the Pricing Supplement, that newspaper; or
- (c) prepaid post (airmail if posted to or from a place outside Australia) or delivery to the address of each Noteholder or any relevant Noteholder as shown in the Register at the close of business 3 Business Days prior to the dispatch of the relevant notice or communication.

13.3 Effective on receipt

Unless a later time is specified in it a notice, approval, consent or other communication takes effect from the time it is received, except that if it is received after 5.00pm in the place of receipt or on a non-business day in that place, it is to be taken to be received at 9.00am on the next succeeding Business Day in that place.

13.4 Proof of receipt

Subject to Condition 13.3 ("Effective on receipt"), proof of posting of a letter or of publication of a notice is proof of receipt:

- (a) in the case of a letter, on the third (seventh, if outside Australia) day after posting; and
- (b) in the case of publication, on the date of such publication.

14 Meetings of Noteholders

Meetings of Noteholders may be convened in accordance with the Meetings Provisions. Any such meeting may consider any matters affecting the interests of Noteholders, including, without limitation, the variation of the terms of the Subordinated Notes by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

An action which may affect the eligibility of the Subordinated Notes as Tier 2 Capital cannot be sanctioned or approved by Noteholders at a meeting convened in accordance with the Meetings Provisions without the prior written approval of APRA.

15 Amendments

15.1 To cure ambiguities

Subject to Condition 4.8 ("Amendments affecting regulatory treatment"), the Terms and Conditions and the Pricing Supplement may be amended by the Issuer, and the Registry Services Agreement may be amended by the parties to such document, without the consent of any Noteholder for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions therein and such amendment does not adversely affect the interests of the Noteholders.

15.2 Approval by Noteholders

Subject to Condition 4.8 ("Amendments affecting regulatory treatment"), the Terms and Conditions, Pricing Supplement and Registry Services Agreement may otherwise be varied by the Issuer with the approval of the Noteholders by Extraordinary Resolution. No other variation to the Terms and Conditions has effect in relation to the Noteholders who hold Subordinated Notes at the date of any amending deed, unless they otherwise agree in writing. A variation will take effect in relation to all subsequent Noteholders. A variation which affects only a particular

Series or Tranche of Subordinated Notes may be approved solely by the Noteholders of such Series or Tranche.

16 Registrar

16.1 Role of the Registrar

In acting under the Registry Services Agreement in connection with the Subordinated Notes, the Registrar acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders save insofar as that any funds received by the Registrar in accordance with the Registry Services Agreement shall, pending their application in accordance with the Registry Services Agreement, be held by it in a segregated account for the persons entitled thereto.

16.2 Change of Registrar

The Issuer reserves the right at any time to terminate the appointment of the Registrar in accordance with the Registry Services Agreement and to appoint a successor or additional registrars, provided, however, that the Issuer must at all times maintain the appointment of a registrar. Notice of any such termination of appointment will be given to the Noteholders in accordance with Condition 13 ("Notices").

16.3 Appointment of replacement Registrar

If the then current Registrar ceases to be Registrar (whether as a result of termination under Condition 16.2 ("Change of Registrar"), resignation as a result of the Subordinated Notes ceasing to be lodged in the Austraclear System or otherwise), the Issuer must ensure that a replacement Registrar is appointed with effect from the relevant date.

17 Calculation Agent

The Calculation Agent and its initial specified officers are as set out in the relevant Pricing Supplement for the Subordinated Notes issued by the Issuer. The Issuer reserves the right at any time to terminate the appointment of the Calculation Agent or to appoint additional or other Calculation Agents, provided that it will ensure that at all times for so long as any Subordinated Notes are outstanding the Calculation Agent acts in respect of Subordinated Notes for which these Conditions require a Calculation Agent to make calculations.

18 Governing law and jurisdiction

18.1 Governing law

The Subordinated Notes are governed by the law in force in the State of Queensland.

18.2 Jurisdiction

The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the State of Queensland and courts of appeal from them.

ANNEX B

Pricing Supplement dated 22 April 2021

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SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (UK) (“FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Series No.: 88

Tranche No.: 1



Bank of Queensland Limited
(ABN 32 009 656 740)

A\$8,000,000,000
Debt Instrument Programme

Issue of
A\$250,000,000 Floating Rate Subordinated Notes due 29 July 2031 (“Notes”)

The date of this Pricing Supplement is 22 April 2021.

This Pricing Supplement (as referred to in the Information Memorandum dated 17 December 2019 ("**Information Memorandum**") in relation to the above Programme) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with the terms and conditions of the Notes contained in the Information Memorandum, such terms and conditions as supplemented and varied as set out in Schedule 1 to this Pricing Supplement ("**Conditions**") and the Second Note and TD Deed Poll dated 18 April 2016 made by the Issuer ("**Deed Poll**"). Unless otherwise indicated, terms defined in the Conditions have the same meaning in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

- | | | |
|-----------|--|--|
| 1 | Issuer | : Bank of Queensland Limited |
| 2 | Type of Note | : Subordinated Note |
| 3 | Type of Issue | : Non-Private Placement - Wholesale |
| 4 | Public Offer Test Compliant | : It is the Issuer's intention that this issue of Notes will be issued in a manner which will seek to satisfy the "public offer" test set out in section 128F(3) of the Income Tax Assessment Act 1936 of Australia. |
| 5 | IWT Notice | : The Tax gross-up in respect of the Commonwealth of Australia specified in Condition 10.6 of the Notes is applicable to this Tranche with effect from the Issue Date. |
| 6 | Relevant Dealers | : Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)
National Australia Bank Limited (ABN 12 004 044 937)
UBS AG, Australia Branch (ABN 47 088 129 613) |
| 7 | Lead Managers | : Australia and New Zealand Banking Group Limited
National Australia Bank Limited
UBS AG, Australia Branch |
| 8 | Registrar | : Computershare Investor Services Pty Limited (ABN 48 078 279 277) |
| 9 | Calculation Agent | : Issuer |
| 10 | If to form a single Series with an existing Series, specify date on which all Term Instruments of the Series become fungible, if not the Issue Date | : Not Applicable |

11	Status	: Subordinated
		The primary method of loss absorption is Conversion, subject to possible Write-off in accordance with Condition 5.3.
		For the purposes of:
		<ul style="list-style-type: none"> • Condition 6.1(a), the formula to be used for calculating the Conversion Number, P is 0.99; and • Condition 6.10(b), the Clearing System Cut-off Date is 10 ASX Business Days after the Non-Viability Trigger Event Date.
12	Aggregate Principal Amount of Tranche	: A\$250,000,000
13	Issue Date	: 29 April 2021
14	Purchase Price	: 100%
15	Denomination(s)	: A\$10,000 provided that the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency and, in each case, disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act.
16	Interest Type	: Floating Rate Notes
17	Condition 7.2 for Fixed Rate Instruments	: Not Applicable
18	Condition 7.3 for Floating Rate Instruments	Applicable
	(a) Interest Commencement Date, if not Issue Date	: Issue Date
	(b) Interest Rate	: BBSW Rate plus the Margin, payable quarterly in arrear.
		<p>"BBSW Rate" means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the Refinitiv or Bloomberg Screen BBSW Page (or any designation which replaces that designation on that page, or any page that replaces that page) at approximately 10.30 a.m. (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) ("Publication Time") on the first Business Day of that Interest Period. However, if such rate does not appear on the Refinitiv or Bloomberg Screen BBSW Page (or any page that</p>

replaces that page) by 10.45 a.m. on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Calculation Agent determines that there is an obvious error in that rate or the rate is permanently or indefinitely discontinued, "**BBSW Rate**" means (subject to the prior written approval of APRA in the case of a permanent or indefinite discontinuation of the BBSW Rate) such other successor rate or alternative rate for BBSW Rate-linked floating rate notes at such time determined by the Issuer (acting in good faith and in a commercially reasonable manner) or, an alternate financial institution appointed by the Issuer (in its sole discretion), to assist in determining the rate (in each case, a "**Determining Party**"), which rate is notified in writing to the Calculation Agent (with a copy to the Issuer) if determined by such Determining Party, together with such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for BBSW Rate-linked floating rate notes at such time (together with such other adjustments to the Business Day Convention and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for BBSW Rate-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread, determined by such Determining Party (in consultation with the Issuer) to be appropriate. The rate determined by such Determining Party will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001%).

Each Noteholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, such determination of substitution for an adjustment made to the BBSW Rate, as applicable.

Noteholders should note that APRA's approval may not be given for any successor rate or alternative rate together with any adjustment spread and any other adjustments to the Terms and Conditions to produce an industry-accepted replacement rate for BBSW Rate-linked floating rate

notes for the purposes of Condition 7.3(b) it considers to have the effect of increasing the Interest Rate contrary to applicable Prudential Standards.

	(c) Margin	:	+ 1.60% per annum
	(d) Interest Payment Dates	:	29 January, 29 April, 29 July and 29 October in each year commencing with a full first coupon on 29 July 2021 and ending on, and including, the Maturity Date
	(e) Day Count Fraction	:	Actual/365 (Fixed)
	(f) Business Day Convention	:	Modified Following Business Day Convention
	(g) Linear Interpolation	:	Not Applicable
19	Condition 7.4 for other rates	:	Not Applicable
20	Accrual of interest	:	As set out in Condition 7.5(d)
21	Maturity Date	:	29 July 2031
22	Maturity Redemption Amount¹	:	Outstanding Principal Amount
23	Early Redemption Amount (Call)²		
	(a) Specify if Condition 8.3 is applicable	:	Applicable, but only in respect of the Interest Payment Date scheduled to fall on 29 July 2026 and each Interest Payment Date thereafter
	(b) Specify minimum notice period for the exercise of the call option	:	15 days
	(c) Specify maximum notice period for the exercise of the call option	:	45 days
	(d) Specify any relevant conditions to exercise of option	:	As set out in Condition 8.3
	(e) Specify first date on which the call option may be exercised in the case of Subordinated Notes	:	29 July 2026
	(f) Specify whether redemption at Issuer's option is permitted in respect of some only of the Notes and, if so, any minimum aggregate principal amount and the means by which Notes will be selected for redemption	:	Yes, the Issuer may redeem all or some Notes at its discretion under Condition 8.3

¹ For Subordinated Notes, Noteholders should be aware that if the Notes are partially Converted or Written-off, the Maturity Redemption Amount, being the Outstanding Principal Amount, will be proportionately reduced.

² For Subordinated Notes, Noteholders should be aware that if the Notes are partially Converted or Written-off, the Early Redemption Amount (Call), being the Outstanding Principal Amount, will be proportionately reduced.

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- (h) **Early Redemption Date (Call)** : 29 July 2026 and each Interest Payment Date thereafter
- 24 Early Redemption Amount (Adverse Tax Event) (Condition 8.4)³**
- (a) **Specify if Condition 8.4 is applicable** : Applicable
- (b) **Specify minimum notice period** : 15 days
- (c) **Specify maximum notice period** : 45 days
- (d) **Specify any additional conditions to exercise of option** : As set out in Condition 8.4
- (e) **Specify whether redemption is permitted in respect of some only of the Subordinated Notes and, if so, any minimum aggregate principal amount and the means by which Subordinated Notes will be selected for redemption** : Not Applicable
- (g) **Early Redemption Date (Adverse Tax Event)** : As per Condition 8.4
- 25 Early Redemption Amount (Regulatory Event) (Condition 8.5)⁴**
- (a) **Specify if Condition 8.5 is applicable** : Applicable
- (b) **Specify minimum notice period** : 15 days
- (c) **Specify maximum notice period** : 45 days
- (d) **Specify any additional conditions to exercise of option** : As set out in Condition 8.5
- (e) **Specify whether redemption is permitted in respect of some only of the Subordinated Notes and, if so, any minimum aggregate principal amount and the means by which Subordinated Notes will be selected for redemption** : Not Applicable
- (g) **Early Redemption Date (Regulatory Event)** : As per Condition 8.5
- 26 Taxation** : Condition 10.6 is applicable

³ For Subordinated Notes, Noteholders should be aware that if the Notes are partially Converted or Written-off, the Early Redemption Amount (Adverse Tax Event), being the Outstanding Principal Amount, will be proportionately reduced.

⁴ For Subordinated Notes, Noteholder should be aware that if the Notes are partially Converted or Written-off, the Early Redemption Amount (Regulatory Event), being the Outstanding Principal Amount, will be proportionately reduced.

27	Clearing System	: Austraclear System
		Interests in the Notes may also be held through Euroclear and Clearstream, Luxembourg as described more fully on page 16 of the Information Memorandum.
28	Other relevant terms and conditions	: The Conditions are amended as set out in Schedule 1 to this Pricing Supplement.
29	Selling restrictions	: The selling restrictions set out in the section entitled "Selling Restrictions" in the Information Memorandum are as amended as set out in Schedule 2 to this Pricing Supplement.
30	Listing	: Not Applicable
31	Credit rating	: [.]

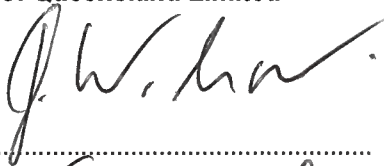
A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any person who is not entitled to receive it.

32	ISIN Code	: AU3FN0060091
33	Common Code	: 233715255


CONFIRMED

For and on behalf of
Bank of Queensland Limited

By: 

Date: 22 April 2021

Name: JAMES SHAN
Authorised Officer

By: 

Date: 22 April 2021

Name: Timothy Ledingham
Authorised Officer Treasurer

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Schedule 1 – Amendments to Conditions

The Terms and Conditions of Subordinated Notes set out on pages 69 – 112 of the Information Memorandum are, for the purposes of the Notes, amended as follows:

- 1 the definitions of “Non-Viability Trigger Event” and “Relevant Tier 2 Security” in Condition 1.1 (“Definitions”) are deleted and replaced with the following:

“**Non-Viability Trigger Event** occurs when APRA notifies the Issuer in writing that it believes:

- (a) Conversion or Write-off of Subordinated Notes, or conversion, write-off or write-down of Relevant Securities is necessary because, without it, the Issuer would become non-viable; or
- (b) a public sector injection of capital, or equivalent support, is necessary because, without it, the Issuer would become non-viable;

Relevant Tier 2 Security means a security forming part of the Tier 2 Capital of the Issuer on a “Level 1 basis” or “Level 2 basis” in accordance with the Prudential Standards which, upon the occurrence of a Non-Viability Trigger Event, may be either:

- (a) converted into Ordinary Shares; or
- (b) written-off or written-down (and all rights and claims of the holders in respect of the security shall be written-off or written-down),

and includes the Subordinated Notes;”;

- 2 the italicised paragraphs at the beginning of Condition 4 (“Status”) are deleted and replaced as follows:

“4 **Status**

The Issuer is an “authorised deposit-taking institution” (“ADI”) as that term is defined under the Banking Act 1959 of Australia (“Banking Act”). Under sections 13A(3) and 16(2) of the Banking Act and section 86 of the Reserve Bank Act 1959 of Australia (“Reserve Bank Act”), certain debts of the Issuer are preferred by law, as described below.

Section 13A(3) of the Banking Act provides that, in the event that an ADI becomes unable to meet its obligations or suspends payment, the ADI’s assets in Australia are available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including, in the case of the Issuer, the Subordinated Notes). These specified liabilities include certain obligations of the ADI to APRA in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the Reserve Bank of Australia (“RBA”) and certain other debts to APRA.

A “protected account” is either:

- (a) *an account, or covered financial product, that is kept under an agreement between the account-holder and the ADI requiring the ADI to pay the account-holder, on demand or at an agreed time, the net credit balance of the account or covered financial product at the time of the demand or the agreed time (as appropriate); or*
- (b) *another account prescribed by regulation.*

Certain assets, such as the assets of the Issuer in a cover pool for covered bonds issued by the Issuer, are excluded from constituting assets in Australia for the

purposes of section 13(A) of the Banking Act, and those assets are subject to the prior claims of the covered bond holders and certain other secured creditors in respect of the covered bonds.

Under section 16(2) of the Banking Act, certain other debts of the ADI due to APRA shall in a winding-up of an ADI have, subject to section 13A(3) of the Banking Act, priority over all other unsecured debts of that ADI. Further, section 86 of the Reserve Bank Act provides that in a winding-up of the ADI, debts due by the ADI to the RBA shall, subject to section 13A(3) of the Banking Act, have priority over all other debts of the ADI.

The Subordinated Notes will not constitute protected accounts or deposit liabilities for the purposes of the Banking Act.

The liabilities which are preferred by law to the claim of a Noteholder in respect of a Subordinated Note will be substantial and these Conditions do not limit the amount of such liabilities which may be incurred or assumed by the Issuer from time to time.

In addition, the Subordinated Notes are not guaranteed or insured by the Australian Government or under any compensation scheme of the Australian Government, or by any other government, under any other compensation scheme or by any government agency or any other party.”;

3 the following is inserted at the end of Condition 4.4 (“Winding-Up”):

“However, it is unlikely a Winding-Up will occur without a Non-Viability Trigger Event having occurred first and the Subordinated Notes being Converted or Written-off. In that event:

- if the Subordinated Notes have Converted into Ordinary Shares, Noteholders will rank equally with existing holders of Ordinary Shares; and*
- if the Subordinated Notes are Written-off, all rights in relation to the Subordinated Notes will be terminated, and Noteholders will not have their Outstanding Principal Amount repaid or receive any outstanding interest or accrued interest, or have the right to have the Subordinated Notes Converted into Ordinary Shares. In such an event, a Noteholder’s investment in the Subordinated Notes will lose all of its value and such Noteholder will not receive any compensation.”;*

4 the following is inserted at the end of Condition 5.1(c):

“APRA will not approve partial conversion or partial write-off in those exceptional circumstances where a public sector injection of funds is deemed necessary.”;

5 the following is inserted at the end of Condition 6.1(a):

“If any Subordinated Notes are Converted following a Non-Viability Trigger Event, it is likely that the Maximum Conversion Number will apply and limit the number of Ordinary Shares to be issued. In this case, the value of the Ordinary Shares received is likely to be significantly less than the Outstanding Principal Amount of those Subordinated Notes. Where an Alternate Currency is specified, the Australian dollar may depreciate in value against the Alternate Currency by the time of Conversion. In that case, the Maximum Conversion Number is more likely to apply.”;

6 the following is inserted as a new Condition 7.5(e):

“(e) Fallback Interest Rate

If, during the Interest Period, the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates) in accordance with these Terms and Conditions, the Interest Rate applicable to the Subordinated Notes during that Interest

Period will be the Interest Rate applicable to the Subordinated Notes during the immediately preceding Interest Period.”;

- 7 the italicised paragraph at the beginning of Condition 8 (“Redemption and purchase”) is deleted and replaced as follows:

“No redemption or purchase of any Subordinated Note pursuant to this Condition 8 (“Redemption and purchase”) may be made without the prior written approval of APRA. As set out in greater detail below, approval is at the discretion of APRA and may or may not be given and Noteholders should not expect that APRA’s approval will be given for any redemption or purchase of Subordinated Notes.”; and

- 8 the following is inserted at the end of Condition 9.2(b):

“A Noteholder will have no right to accelerate payment or exercise any other remedies (including any right to sue for damages) as a consequence of any default other than as specifically described herein. In the event of a Winding-Up, the Subordinated Notes will become immediately due and payable, unless they have been Converted or Written-off. This will be the only circumstance in which the payment of principal on the Subordinated Notes may be accelerated.

However, it is unlikely a Winding-Up will occur without a Non-Viability Trigger Event having occurred first and the Subordinated Notes being Converted or Written-off. In that event:

- *if the Subordinated Notes have Converted into Ordinary Shares, Noteholders will rank equally with existing holders of Ordinary Shares; and*
- *if the Subordinated Notes are Written-off, all rights in relation to the Subordinated Notes will be terminated, and Noteholders will not have their Outstanding Principal Amount repaid or receive any outstanding interest or accrued interest, or have the right to have the Subordinated Notes Converted into Ordinary Shares. In such an event, a Noteholder’s investment in the Subordinated Notes will lose all of its value and such Noteholder will not receive any compensation.”*

Schedule 2 – Selling Restrictions

The United Kingdom selling restriction set out in the section entitled “*Selling Restrictions*” in the Information Memorandum is deleted and replaced with the following:

“United Kingdom

Prohibition of sales to UK retail investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”);
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (UK) (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (1) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (2) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.”