



Notice of 2019 Annual General Meeting

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Suncorp Group Limited
ABN 66 145 290 124

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Important information

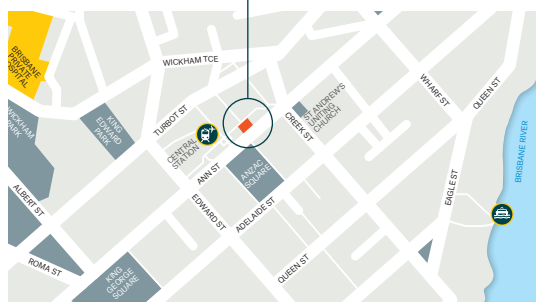
Voting forms are enclosed for ordinary and preference shareholders entitled to attend the AGM and vote (noting that preference shareholders are only entitled to vote on Resolutions 4 and 6). Please bring your voting form to the AGM, as it is personalised to facilitate easier registration.

Notice of 2019 Annual General Meeting

The Annual General Meeting (AGM) of Suncorp Group Limited (**Suncorp, or the Company**) will be held at:

| | |
|--------------|---|
| TIME | 10.30am (AEST) Shareholder registration will be available from 9.30am |
| DATE | Thursday 26 September 2019 |
| WHERE | Ballroom, Sofitel Brisbane Central, 249 Turbot Street, Brisbane, Queensland |

HOW TO GET HERE



| | |
|----------------|--|
| TRAIN | The nearest station, Central Station, is located beneath the hotel. |
| BUS | A number of bus routes pass King George Square, Queen Street Mall and Central Station. The Sofitel Brisbane Central is a short walk from these locations. |
| PARKING | There is a hotel car park available to attendees for a fee (entrance on Turbot Street). An alternative option is Wickham Terrace car park opposite the Sofitel Brisbane Central (entrance on Turbot Street). |



Message from our Chairman

Dear Shareholder

It is my pleasure to invite you to the 2019 AGM to be held on Thursday 26 September at 10.30am (AEST) in the Ballroom at Sofitel Brisbane Central, 249 Turbot Street, Brisbane. Shareholder registration opens at 9.30am and directions to the venue are included on the inside cover.

The AGM is an important event for Suncorp and provides shareholders with an opportunity to receive an update on Suncorp's performance during the year from myself and Steve Johnston, who has been Acting CEO since May 2019. Shareholders will also have an opportunity to ask questions of the Board, the Senior Leadership Team and Suncorp's Auditor, KPMG.

Suncorp's financial performance, responsible business activities and achievements for the year are explained in the 2018-19 Annual Report and Responsible Business Report. These reports are available on the Suncorp Group website at suncorpgroup.com.au/investors/reports. If you elected to receive a printed copy of the Annual Report you will find it enclosed.

With the Board's endorsement, we will be seeking your vote on Resolutions 1-8, as explained in the following pages:

1. 2018-19 Remuneration Report (an advisory resolution)
2. Grant of performance rights to the Acting CEO, which Suncorp is putting before shareholders over and above our requirement to do so
- 3.a) Re-election of Ms Sally Herman as a director
- 3.b) Election of Mr Ian Hammond as a director
4. & 5. Return of capital to ordinary shareholders and consolidation of ordinary shares, which if approved, will distribute to ordinary shareholders the balance of the proceeds received from the sale of the Australian Life business

6. Selective capital reduction in relation to convertible preference shares issued on 8 May 2014 (a **special** resolution)

7.&8. Proposed amendments to the Suncorp Constitution (two **special** resolutions).

The Board recommends that ordinary shareholders vote **against** Resolutions 9a) and 9b), which are sponsored by Market Forces and have been requisitioned by shareholders holding approximately 0.01% of Suncorp's shares on issue, as permitted under the Corporations Act (one special resolution, and an advisory resolution that will only be put to the meeting if the special resolution is passed).

Shareholders who are attending the meeting in person can lodge their vote using the LinkVote App on their mobile phone or tablet device. The LinkVote App is available for download prior to the AGM, from the Apple App Store or Google Play*. Shareholders can also register their voting intentions via our share registry's dedicated website at linkmarketservices.com.au, or by using the enclosed shareholder voting form.

As the AGM is the Board's opportunity to hear from you directly, you are welcome to submit specific questions in advance, to investor.relations@suncorp.com.au (or by post to GPO Box 1453, Brisbane, Qld 4001) by Thursday 19 September 2019.

We seek to make the AGM as accessible as possible, including through a live webcast on the Suncorp Group website for anyone unable to attend in person.

Your Board, the Senior Leadership Team and I look forward to seeing you at the AGM and sharing light refreshments afterwards.

Yours faithfully

CHRISTINE MCLOUGHLIN
CHAIRMAN
26 AUGUST 2019

* Google Play is a trademark of Google Inc.

Notice of 2019 Annual General Meeting

10.30AM, THURSDAY 26 SEPTEMBER 2019

BUSINESS

FINANCIAL AND OTHER REPORTS

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the financial year ended 30 June 2019 (2018-19).

NOTE: THERE IS NO REQUIREMENT FOR SHAREHOLDERS TO APPROVE THESE REPORTS.

RESOLUTION 1 REMUNERATION REPORT

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

To adopt the Remuneration Report for 2018-19.

NOTE: THIS RESOLUTION IS ADVISORY ONLY AND DOES NOT BIND THE COMPANY OR DIRECTORS.

RESOLUTION 2 GRANT OF PERFORMANCE RIGHTS TO THE ACTING CHIEF EXECUTIVE OFFICER

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

That approval is given for the grant of performance rights to the value of \$1,000,000 under the SunCorp Group Equity Incentive Plan, to the Acting Chief Executive Officer, Mr Steven Johnston, as set out in the Explanatory Memorandum.

RESOLUTIONS 3A) AND B) ELECTION/RE-ELECTION OF DIRECTORS

To consider and, if thought fit, pass each of the following resolutions as separate **ordinary** resolutions:

- a) That Ms Sally Herman, being a non-executive director since October 2015, be re-elected as a director of the Company in accordance with the Company's Constitution.
- b) That Mr Ian Hammond, being a non-executive director appointed with effect from 2 October 2018, be elected as a director of the Company in accordance with the Company's Constitution.

RESOLUTION 4 RETURN OF CAPITAL TO ORDINARY SHAREHOLDERS

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

That, conditional on the passing of Resolution 5, approval is given for the ordinary share capital of the Company to be reduced by approximately \$506 million by way of an equal capital reduction, as set out in the Explanatory Memorandum.

The reduction of capital will be effected by the Company paying to each registered holder of ordinary shares in the Company, (as at the record date of 7pm (AEST) on 1 October 2019) the amount of 39 cents per ordinary share held in the Company at that time.

RESOLUTION 5 CONSOLIDATION OF ORDINARY SHARES

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

That, conditional on the passing of Resolution 4 and with effect from 30 September 2019, approval is given for the share capital of the Company to be consolidated through the conversion of each ordinary share in the Company held on the record date of 7pm (AEST) on 1 October 2019, into 0.971 ordinary shares and that any resulting fractions of an ordinary share be rounded up to the next whole number of shares.

RESOLUTION 6 SELECTIVE CAPITAL REDUCTION IN RELATION TO SUNPE

To consider and, if thought fit, pass the following resolution as a **special** resolution:

That the conduct and terms and conditions of one or more selective capital reductions in respect of the Convertible Preference Shares issued on 8 May 2014 in an amount of up to \$100.00 per Convertible Preference Share as set out in the Explanatory Memorandum, be approved.

RESOLUTION 7 REINSERTION OF PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

To consider and, if thought fit, pass the following resolution as a **special** resolution:

That the Company's Constitution be amended by reinserting the proportional takeover provisions in Rule 41 of the Constitution, to operate for a period of three years commencing from the date of this Annual General Meeting.

RESOLUTION 8 INSERTION OF ADDITIONAL NOTICE PROVISION IN THE CONSTITUTION

To consider, and if thought fit, pass the following resolution as a **special** resolution:

That the Company's Constitution be amended by inserting an additional notice provision in Rule 38 of the Constitution, as set out in the Explanatory Memorandum.

RESOLUTIONS 9A) AND B)

RESOLUTIONS SPONSORED BY MARKET FORCES, REQUISITIONED BY SHAREHOLDERS HOLDING APPROXIMATELY 0.01% OF SUNCORP'S SHARES ON ISSUE AND NOT SUPPORTED BY THE BOARD

The Board recommends that ordinary shareholders vote against the following special resolution and, if put to the meeting, the following contingent advisory resolution:

a) Amendment to the Constitution (**special** resolution)

To insert into our company's constitution beneath 'Business of Annual and Other General Meetings' the following new sub-clause 17.2(d): "The Company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the Company partially or exclusively vested in the Directors has been or should be exercised. However, such a resolution must relate to an issue of material financial relevance and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the Directors or the Company."

b) Fossil Fuel Exposure Reduction Targets (contingent **advisory** resolution)

Shareholders request that the company disclose short-, medium- and long-term targets to reduce investment and underwriting exposure to fossil fuel (oil, gas, coal) assets, along with plans and progress to achieve the targets set. These targets should be consistent with the goal of the Paris Agreement to pursue efforts to limit the temperature increase of global warming to 1.5°C above pre-industrial levels. This information should be published annually, starting with the 2019-20 annual report.

NOTE: RESOLUTION 9B) IS SUBJECT TO AND CONTINGENT ON RESOLUTION 9A) BEING PASSED BY THE REQUIRED MAJORITY OF 75% OF VOTES CAST. IF RESOLUTION 9A) IS NOT PASSED, RESOLUTION 9B) WILL NOT BE PUT TO THE MEETING.

By Order of the Board



CHRISTINE MCLOUGHLIN

CHAIRMAN

26 AUGUST 2019

AN EXPLANATORY MEMORANDUM ACCOMPANIES AND FORMS PART OF THIS NOTICE OF MEETING. SHAREHOLDERS SHOULD READ THESE DOCUMENTS IN FULL.

IMPORTANT VOTING INFORMATION FOR SHAREHOLDERS

1. ENTITLEMENT TO VOTE

For the purposes of voting and asking questions at the AGM, shareholders are those persons who are registered holders of shares in the Company as at 7.00pm (AEST) on Tuesday 24 September 2019. Accordingly, persons who are registered as shareholders after that time will be disregarded in determining shareholders entitled to vote and ask questions at the AGM.

Ordinary Shareholders

Holders of ordinary shares in the Company may vote on all resolutions, subject to the voting restrictions described in sections 2-5 below.

SUNPE Convertible Preference Shareholders

SUNPE holders:

- have voting rights in relation to any resolution to reduce the Company's share capital, subject to the provisions of the *Corporations Act 2001* (Cth) (**Corporations Act**), so may vote on Resolution 4; and
- are restricted from voting in relation to Resolution 6 (see further details in Section 3 below) and are not entitled to vote on any other resolution.

2. VOTING RESTRICTIONS

– REMUNERATION REPORT (RESOLUTION 1) AND GRANT OF PERFORMANCE RIGHTS TO THE ACTING CHIEF EXECUTIVE OFFICER (RESOLUTION 2)

The Company will disregard any votes cast:

- on Resolution 1 – by, or on behalf of, a person who is a member of the key management personnel of the Company (**KMP**) named in the 2018-19 Remuneration Report and their closely related parties (regardless of the capacity in which the vote is cast)
- on Resolution 2 – in favour of the resolution by, or on behalf of, Mr Steven Johnston and any of his associates (regardless of the capacity in which the vote is cast); and
- on Resolutions 1 and 2 – as proxy by a person who is a member of the KMP on the date of the AGM and their closely related parties.

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

- in accordance with the directions on the shareholder voting form; or
- by the Chairman of the AGM, in accordance with an express authorisation in the shareholder voting form to exercise the proxy even though these resolutions are connected with the remuneration of the KMP.

For the purposes of these voting exclusions:

- closely related party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of the KMP; and
- associate is defined in the ASX Listing Rules and includes a spouse, child, and certain other close family members, as well as any companies controlled by a person (unless the contrary is established).

3. VOTING RESTRICTIONS – SELECTIVE CAPITAL REDUCTION IN RELATION TO SUNPE (RESOLUTION 6)

While SUNPE holders have voting rights in relation to any resolution to reduce the share capital of the Company, section 256C(2)(a) of the Corporations Act requires the Company to disregard any votes cast in favour of Resolution 6 by a person who is to receive consideration as part of the capital reduction, or by their associates. As a result, the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any person who holds SUNPE or any of their associates.

This restriction also extends to any ordinary shareholder who also holds SUNPE.

However, the Company need not disregard a vote if it is cast as proxy for a person entitled to vote in accordance with the directions on the shareholder voting form.

4. HOW TO VOTE

Shareholders who are eligible to vote should read the instructions on the enclosed voting form. Shareholders can vote in one of three ways:

- attend the AGM and vote, either in person (or by attorney), or in the case of corporate shareholders, by corporate representative
- lodge a direct vote; or
- appoint a proxy to attend the AGM and vote on their behalf.

Shareholders attending the AGM in person can lodge their vote using the LinkVote App on their mobile phone or tablet device. The LinkVote App is available for download prior to the AGM, from the Apple App Store or Google Play*. Link Group representatives will be available at the AGM to assist shareholders with any questions they may have in relation to using the LinkVote App.

If shareholders wish to lodge a direct vote or appoint a proxy to vote on their behalf at the AGM, they can do so by:

- completing a shareholder voting form online at linkmarketservices.com.au, and quoting their Securityholder Reference Number (SRN) or Holder Identification Number (HIN), as shown on the enclosed voting form; or
- completing the enclosed shareholder voting form and returning it either:
 - by mail to Suncorp Group Limited, c/- Link Market Services Limited, using the reply-paid envelope provided
 - by fax to Link on (02) 9287 0309; or
 - by hand delivery to Link, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney, NSW 2000.

Only those shareholder voting forms received by Link by 10.30am (AEST) on Tuesday 24 September 2019 (being 48 hours before the commencement of the AGM) will be considered valid.

If the shareholder voting form is signed by the shareholder's attorney, the original or an original certified copy of the power of attorney must accompany the shareholder voting form (if it has not already been lodged with Link for notation).

Any person appointed as a proxy does not need to be a shareholder, and a shareholder can appoint an individual or a body corporate as a proxy. A body corporate appointed as a proxy must also lodge a Certificate of Appointment of Corporate Representative. A copy of a Certificate of Appointment of Corporate Representative can be obtained by calling Link Market Services on 1300 882 012 (within Australia) or +61 2 8767 1219 (outside Australia) or online via linkmarketservices.com.au.

An ordinary shareholder who is entitled to cast two or more votes may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If an ordinary shareholder who has lodged a direct vote or appointed a proxy to vote on their behalf then attends the AGM, the direct vote or proxy appointment is cancelled or suspended.

For further instructions on voting, please refer to the enclosed shareholder voting form.

* Google Play is a trademark of Google Inc.

5. APPOINTING THE CHAIRMAN OF THE AGM AS YOUR PROXY

You may appoint the Chairman of the AGM as your proxy. If you direct the Chairman of the AGM how to vote on a resolution, your vote will be cast in accordance with your direction.

If you appoint a proxy (other than the Chairman of the AGM) and your proxy is either not recorded as attending the AGM or does not vote on a resolution, the Chairman of the AGM will, before voting on the resolution closes, be taken to have been appointed as your proxy for the purposes of voting.

If you do not direct the Chairman of the AGM how to vote on a resolution, or the Chairman of the AGM becomes your proxy by default, then by completing and returning your shareholder voting form you will be expressly authorising the Chairman of the AGM to exercise your undirected proxy on a resolution even though it may be directly or indirectly connected with the remuneration of a member of the KMP.

The Chairman of the AGM intends to vote any undirected proxies given by shareholders to her in favour of Resolutions 1–8 and against Resolutions 9a) and 9b) and those shareholders will be taken to have expressly authorised the Chairman of the AGM to exercise the proxy as she sees fit.

6. COPIES OF INFORMATION

Shareholders who wish to obtain a copy (free of charge) of the Company's 2018–19 Annual Report or Constitution, may contact Link via email at suncorp@linkmarketservices.com.au, or by phone:

1300 882 012 (inside Australia) or
+61 2 8767 1219 (outside Australia).

EXPLANATORY MEMORANDUM

This Explanatory Memorandum accompanies and forms part of the Notice of Meeting for the Company's AGM to be held on Thursday 26 September 2019 at 10.30am (AEST). It contains information relevant to the business to be considered at the AGM and shareholders should read this section in full.

BUSINESS

FINANCIAL AND OTHER REPORTS

The Chairman will provide shareholders with an opportunity to ask questions concerning the Company's 2018-19 Financial Report, Directors' Report and Auditor's Report (which are contained in the 2018-19 Annual Report), and the Company's performance generally. There is no requirement for shareholders to approve these reports.

For those shareholders who did not elect to receive a printed copy, the 2018-19 Annual Report is available on the Suncorp Group website at suncorpgroup.com.au/investors/reports.

The Chairman will also provide shareholders with an opportunity to ask the Company's auditor (KPMG) questions relevant to:

- the conduct of the audit
- the preparation and content of the Auditor's Report
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor.

If you wish to submit questions to the Company or an auditor in advance of the AGM, you may do so by emailing investor.relations@suncorp.com.au (or by post to GPO Box 1453, Brisbane, Qld 4001) by 5pm (AEST) on Thursday, 19 September 2019. The Chairman intends to respond to the most frequently asked questions at the AGM and to permit the auditor to answer any questions submitted to the auditor.

RESOLUTION 1 REMUNERATION REPORT

The Remuneration Report, as contained in the Company's 2018-19 Directors' Report, has been submitted to shareholders for consideration and adoption (by way of advisory resolution). Shareholders will be given an opportunity at the AGM to ask questions about, or comment on, the Remuneration Report which provides information on:

- the changes that have been made to the remuneration framework for 2019-20 following consultation with investors and proxy advisors, in light of the continued change in both the regulatory landscape and community expectations, and to align to Suncorp's refreshed Purpose to *create a better today for our customers*
- the remuneration principles and framework adopted by the Board for 2018-19 in determining the nature and amount of remuneration of directors and senior executives (including KMP as defined in the Remuneration Report)
- the performance conditions that apply to the different components of the remuneration framework, why those performance conditions were chosen and how performance is measured against them
- the integration of risk management into performance and remuneration decisions; and
- remuneration details for directors and senior executives.

The Board believes the Company's remuneration principles and arrangements, as outlined in the Remuneration Report, are appropriate relative to the size of the Company, its business objectives and current and emerging market practices.

Nevertheless, the Board's People and Remuneration Committee continues to review the remuneration frameworks within an ever-changing regulatory landscape. Any material changes will be presented to a future AGM and disclosed in that year's Remuneration Report.

Shareholders should note that the vote on the Remuneration Report is advisory only and does not bind the Company or its directors. However, the Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the AGM when reviewing the Company's remuneration policies.

Board Recommendation

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

RESOLUTION 2 GRANT OF PERFORMANCE RIGHTS TO THE ACTING CHIEF EXECUTIVE OFFICER

The Board is seeking the approval of shareholders for the grant of performance rights to the value of \$1,000,000 under the Suncorp Group Equity Incentive Plan (**Plan**) to the Acting Chief Executive Officer (**Acting CEO**), Mr Steven Johnston. This is the same value of performance rights that Mr Johnston would have been allocated in his substantive role as Chief Financial Officer.

Shareholder approval is not required in relation to this grant, as Mr Johnston has not been appointed as a director of the Company. However, the Board wishes to seek shareholder approval of this grant in recognition of the importance of shareholder engagement on key remuneration issues, such as the remuneration of the Acting CEO.

It should be further noted that, even if Mr Johnston had been appointed as a director of the Company, shareholder approval would still not be required, as any shares allocated to Mr Johnston under the Plan will not be issued by the Company but will be acquired on market.

If shareholders do not approve the grant of these performance rights at the AGM, it is intended that an equivalent long-term incentive (**LTI**) award will be provided to Mr Johnston in cash, subject to the same performance and service conditions outlined below.

Under the Plan, a performance right will become a vested right following a three-year performance period (**Year 3**), subject to the satisfaction of performance measures and service conditions. A vested right is subject to a deferral period for an additional one year and entitles the participant, at the end of the deferral period (**Year 4**), to be allocated one fully paid ordinary share in the Company (or under limited circumstances, a cash payment in lieu of an allocation of ordinary shares) at no cost.

At the end of the deferral period, vested rights are converted to shares and a payment equal to the notional dividends earned on those shares during the performance period and deferral period is paid (less applicable taxes).

If a performance right does not vest, no dividend equivalent payment will be made.

If there are any corporate actions or capital reconstructions by the Company, the Board has a discretion, where it considers it appropriate, to make adjustments to the terms of the performance rights, to eliminate any material advantage or disadvantage to the Acting CEO.

Face value of performance rights

The Board has endorsed an award of performance rights with a face value of \$1,000,000 (**Acting CEO's performance rights**) as Mr Johnston's LTI remuneration for the 2019–20 financial year.

The purpose of LTI remuneration is to focus the Acting CEO on the Company's long-term business strategy, align his interests with those of shareholders and support the creation of long-term shareholder value.

The face value of the Acting CEO's performance rights takes into account a number of factors, including the extent to which total target remuneration is market competitive when compared with a peer group of companies.

Subject to shareholder approval, the Acting CEO's performance rights will be granted to Mr Johnston as soon as practicable after the AGM and in any event, no later than 12 months after the date of the AGM. The grant of performance rights under the Plan will, subject to the terms and conditions described below, allow Mr Johnston to obtain ordinary shares in the Company.

Number of performance rights

Mr Johnston will be allocated 74,133 performance rights. The number of performance rights to be granted to Mr Johnston has been calculated by dividing the Acting CEO's 2019-2020 LTI opportunity (\$1,000,000) by the face value of a performance right (\$13.4891), then rounding down to the nearest whole number. The face value of a performance right for this purpose is the volume weighted average price (VWAP) of the Company's ordinary shares on the Australian Securities Exchange (ASX) over the five trading days leading up to 1 July 2019.

Performance period

The performance period will begin on 1 July 2019 and end on 30 June 2022. This aligns with all other LTI Plan offers made to senior executives for the 2019–20 financial year.

Performance measures

After considering the most appropriate internal measures to drive shareholder returns, and after consulting with investors and proxy advisors, cash return on equity (**Cash ROE**) has been introduced into the LTI plan for 2019–20. This measure will operate alongside relative total shareholder return (**TSR**) and each measure will have a 50% weighting. The Board has determined that the vesting of the performance rights to be granted to Mr Johnston (if shareholder approval is granted) will be subject to these two performance measures, as outlined below.

Relative total shareholder return

Performance is measured by ranking the Company's TSR against its peer comparator group (**Peer Comparator Group**). The Peer Comparator Group comprises the 50 largest companies ranked by market capitalisation listed on the ASX (S&P/ASX 100 Index) at the beginning of the performance period, excluding listed Real Estate Investment Trusts and mining companies. The Board believes the Peer Comparator Group is appropriate in the absence of a suitable peer group of direct comparators given it consists of companies of a similar size and investment profile.

TSR is a method of calculating the return shareholders would earn if they held a notional number of shares over a period of time. TSR measures the growth in the Company's share price together with the value of dividends received during the performance period, assuming that all of those dividends are reinvested into new shares. TSR will vary over time but reflects the market perception of the Company's overall performance relative to the Peer Comparator Group.

The relative TSR performance measure is chosen on the basis that it:

- offers a relative measure of changes in shareholder value by comparing the Company's return to shareholders against the returns of companies of similar size and investment profile
- provides alignment between shareholder returns and reward outcomes for the Acting CEO over the long term; and
- minimises the impact market cycles may have when measuring shareholder returns.

The ranking of the Company's TSR at the end of the performance period determines the extent to which performance rights vest, in accordance with the vesting schedule shown in the following table:

| Relative TSR performance outcome | Percentage of LTI performance rights that will vest |
|--|--|
| Below the 50th percentile (below median performance) | 0% |
| At the 50th percentile (median performance) | 50% |
| Between the 50th and 75th percentiles | 50% plus 2% for each full 1% increase in the Company's ranking against the Peer Comparator Group |
| At or above the 75th percentile | 100% |

There will be no re-testing of relative TSR performance after the end of the performance period. Where the relative TSR performance condition is not met, the applicable number of LTI performance rights lapse.

Cash return on equity

Cash return on equity (**ROE**) is defined as cash earnings divided by average equity attributable to owners of the Company. Averages are based on monthly balances over the performance period.

The Board believes that Cash ROE is an appropriate performance measure given it is a measure of Suncorp's overall return to shareholders.

At target performance, 50% of performance rights vest and at stretch performance, 100% of performance rights vest. Pro-rata vesting occurs between these relative vesting levels, and there is no vesting below target performance. The level of Cash ROE performance corresponding to target and stretch performance have been determined having regard to Suncorp's three-year business plan forecast, its cost of capital and investor expectations.

To focus executives on longer-term performance, Cash ROE targets will be set, and performance outcomes will be assessed, based on a weighted approach. Specifically, Cash ROE performance under the 2019–20 LTI award will be based on the 3-year weighted average of 2019–20 Cash ROE (20%), 2020–21 Cash ROE (30%) and 2021–22 Cash ROE (50%).

There will be no re-testing of the Cash ROE performance after the end of the performance period.

Where the Cash ROE performance condition is not met, the applicable number of LTI performance rights lapse.

Disclosure

The Board will set out how Suncorp has performed against all performance measures in the 2021–22 Remuneration Report. In particular, the Cash ROE targets and vesting schedule that have been set by the Board will be fully disclosed in the 2021–22 Remuneration Report.

Malus and clawback criteria

Malus and clawback criteria will apply to any shares or rights awarded as part of Mr Johnston's LTI remuneration under the Plan. Malus criteria enable the Board to adjust deferred incentives downwards (including to zero) to protect the Group's financial soundness and reputation, and to respond to unforeseen significant issues. Clawback criteria enable the Board to recover cash, deferred incentives or shares that have vested and have been received by an individual, where it becomes evident that the receipt of the award resulted in an unfair benefit.

Treatment of Acting CEO's performance rights on cessation of employment

Unvested performance rights will generally lapse if Mr Johnston resigns or is terminated for cause.

If Mr Johnston's employment is terminated for any other reason, the unvested performance rights will continue beyond cessation of employment and will vest or lapse depending on whether the performance conditions are achieved, subject to malus and clawback criteria. In each case, the Board has discretion to determine otherwise.

Any vested rights will continue beyond cessation of employment and convert into shares in the normal course, subject to malus and clawback criteria.

Trading of shares

Shares allocated upon conversion of any vested performance rights under the Plan are subject to the Suncorp Group Securities Trading Policy.

Hedging prohibition

Executives and employees of the Suncorp Group who receive equity or equity-linked deferred remuneration are prohibited from hedging their economic exposures before the equity or equity-linked remuneration is fully vested and converted into shares. In the event of a breach, the individual's entitlement to performance rights or securities is forfeited with immediate effect.

Other information

No Director is currently entitled to participate in the LTI Plan.

Following shareholder approval obtained at the 2018 AGM, Mr Cameron (former CEO and Managing Director) was granted 226,886 Performance Rights at no cost under the LTI Plan.

There is no loan provided to the Acting CEO in connection with the LTI Plan.

Board recommendation

The Board recommends that ordinary shareholders vote in favour of the resolution to grant performance rights under the Plan to the Acting CEO on the terms set out above.

RESOLUTION 3

ELECTION/RE-ELECTION OF DIRECTORS

The Company's Constitution requires that no non-executive director may retain office for more than three years or until the third AGM following that director's appointment and the Company must hold an election of directors each year.

In accordance with the Company's Constitution:

- Ms Sally Herman will stand for re-election as a non-executive director, having previously been elected by shareholders in September 2016.
- Mr Ian Hammond will stand for election as a non-executive director, following his appointment to the Board with effect from 2 October 2018.

Prior to submitting themselves for re-election or election, Ms Herman and Mr Hammond have confirmed that they will continue to have sufficient time to fulfil their duties as directors of the Company.

The Board, with the assistance of the Nomination Committee, has reviewed the performance of Ms Herman and Mr Hammond and is satisfied that they each continue to bring diligence, commitment, valuable expertise and experience to the deliberations of the Board and its Committees.



SALLY HERMAN

BA, GAICD

NON-EXECUTIVE DIRECTOR

Ms Herman has been a director of the Company since October 2015. She is Chairman of the Risk Committee, and a member of the Audit, Customer, Nomination, and People and Remuneration Committees. She brings to Suncorp strong expertise in running retail banking and insurance products, setting strategy for financial services businesses and working with customers and regulators.

Ms Herman's career has spanned the US and Australia, and has provided her with deep executive experience running customer-facing financial services businesses. She has held board positions (including on subsidiary boards) of financial services organisations for over 20 years, with a focus on governance, regulation and compliance.

Ms Herman's current ASX-listed company directorships include Breville Group Limited, Premier Investments Limited, and Evans Dixon Limited. She is also a director of Investec Property Limited (responsible entity of listed trust Investec Australia Property Fund). Her previous Board roles have included Chairman of Urbis Pty Ltd, and non-executive director of ME Bank Limited and FSA Group Limited.

During her 16 years at Westpac (from 1994 to 2010), Ms Herman held significant executive roles. Running the Corporate Affairs function during Westpac's merger with St George, the largest financial services transaction in Australia at the time, Ms Herman oversaw critical stakeholder engagement with customers, shareholders, regulators and government, as well as

addressing community expectations. Ms Herman led the product function of retail and business banking including general insurance. She also brings deep insights around digitisation, having run Westpac's internet banking in the early 2000s, where she grew the business from 100,000 to one million internet banking users in just two years.

Ms Herman is considered by the Board to be an independent, non-executive director of the Company. As at 12 August 2019, Ms Herman held 30,000, ordinary shares in the Company.

Board recommendation

The Board, with Ms Herman abstaining, recommends that ordinary shareholders vote in favour of the re-election of Ms Herman as a director of the Company.



IAN HAMMOND

BA (HONS), FCA, FCPA, FAICD
NON-EXECUTIVE DIRECTOR

Mr Ian Hammond has been a director of the Company since October 2018 and is a member of the Audit, Customer and Nomination Committees. He brings to Suncorp extensive knowledge of the financial services industry, and expertise in financial reporting and risk management. He has deep experience across the insurance, banking, wealth management and property sectors, and a keen interest in digital and technology trends.

Mr Hammond is a non-executive director of ASX-listed company Perpetual Limited, where his board roles include Chairman of the Audit, Risk and Compliance Committee, as well as serving as a member of the Investment and Nomination Committees. He also serves on the board of Venues NSW, as well as several not-for-profit organisations including Mission Australia and Chris O'Brien Lifehouse, which has provided him with a particular insight into the challenges faced by vulnerable communities and individuals in Australia. He is also a Policy Council Member of The Banking and Finance Oath.

Previously Mr Hammond was a non-executive director of Citigroup Pty Limited.

Mr Hammond's career includes more than 35 years at PwC, where he held a number of senior management positions including 26 years as a partner. He was lead partner for a number of large Australian financial services groups with domestic and international operations. Mr Hammond was also previously a member of the Australian Accounting Standards Board and the International Accounting Standards Board.

Mr Hammond is considered by the Board to be an independent, non-executive director of the Company. As at 12 August 2019, Mr Hammond held 24,118 ordinary shares in the Company.

Board recommendation

The Board, with Mr Hammond abstaining, recommends that ordinary shareholders vote in favour of the election of Mr Hammond as a director of the Company.

RESOLUTIONS 4 AND 5

RETURN OF CAPITAL TO ORDINARY SHAREHOLDERS AND CONSOLIDATION OF ORDINARY SHARES

Background to capital management initiative

On 7 August 2019, the Company announced a proposed capital management initiative to distribute surplus funds from the sale of the Australian Life business. The initiative consists of:

- a return of approximately \$506 million of ordinary share capital, to be effected by the Company paying each ordinary shareholder 39 cents per share held, to be paid on 24 October 2019 as contemplated by Resolution 4 (**Capital Return**); and
- an equal and proportionate share consolidation relating to the Capital Return, through the conversion of each ordinary share into 0.971 shares, as contemplated by Resolution 5 (**Share Consolidation**).

Consistent with the requirements of the Corporations Act, the Company is seeking shareholder approval for this capital management initiative.

Although shareholders will be asked to approve the Capital Return (Resolution 4) and the Share Consolidation (Resolution 5) as separate resolutions, the resolutions are interdependent. This means that approval of each resolution is conditional on the approval of the other. Shareholders should therefore consider both Resolutions 4 and 5 and the relevant disclosures together.

Why is the capital management initiative being undertaken?

The proposed capital management initiative is being undertaken to return a portion of the Company's excess capital equitably and efficiently to ordinary shareholders. The Board believes that the proposed capital management initiative will ensure the Company retains an efficient capital structure, while maintaining sufficient flexibility to continue to pursue growth opportunities and maximise sustainable returns to shareholders.

The excess capital arose following the sale of 100% of the Company's Australian Life business, which was completed on 28 February 2019. On 3 May 2019, the Company paid a fully franked special dividend of 8 cents per share, equating to approximately \$104 million, as the first component of the return of excess capital to ordinary shareholders. The Capital Return, equating to approximately \$506 million, reflects the balance of the capital available to return to ordinary shareholders.

The combination of the Capital Return and the Share Consolidation seek to ensure that all ordinary shareholders receive an equal cash distribution per share while enabling the Company to provide an Earnings Per Share (**EPS**) outcome similar to that which would result from a share buy-back, with the proportionate interests in the Company remaining unchanged.

Why return excess capital via a Capital Return and Share Consolidation, compared to other options?

Suncorp evaluated various options for returning excess capital to ordinary shareholders and determined a Capital Return, combined with a Share Consolidation, was the optimal method because:

- it is more time-efficient than an on-market share buy-back, which could take some time to complete due to the amount of capital proposed to be returned (being approximately \$506 million)

- a Capital Return applies equally to all ordinary shareholders and proportionate interests in the Company remain unchanged; and
- a Capital Return preserves flexibility for distributions in the future.

What is the effect of the capital management initiative on the Company's share price?

Following a capital return, shares may trade at a lower price from the 'post return of capital' date than they otherwise would have if the capital return did not proceed, due to the return of funds to shareholders and the consequent reduction in shareholders' funds.

However, the Share Consolidation will reduce the number of the Company's ordinary shares on issue in a ratio that is consistent with the amount of the Capital Return.

All else being equal, the Share Consolidation is expected to neutralise the effect of the Capital Return on forward EPS expectations and therefore, similarly neutralise any reduction in the share price specifically related to the Capital Return.

The capital management initiative will affect the total number of the Company's ordinary shares on issue, as well as the number of shares held by each holder of ordinary shares. However, the Capital Return and the Share Consolidation will not affect any shareholder's percentage shareholding in the Company (excepting the rounding up of fractional entitlements to the next whole number of shares), nor will it affect the control of the Company.

For the avoidance of doubt, entitlements under the proposed Capital Return will be calculated based on the Company's pre-consolidated number of issued ordinary shares.

What is the effect of the Capital Return on the Company?

(a) Impact on financial position

The proposed capital management initiative will be funded from the proceeds of the sale of the Company's Australian Life business. If the Capital Return is effected, the Company's share capital will be reduced by approximately \$506 million.

(b) Effect on the Company and Suncorp Group's capital position

The Suncorp Group is subject to, and complies with, external capital requirements set and monitored by the Australian Prudential Regulatory Authority (APRA) and the Reserve Bank of New Zealand.

The Suncorp Group's Internal Capital Adequacy Assessment Process provides the framework to ensure that the Group as a whole, and each of its regulated entities, is capitalised to meet both internal and external requirements.

A range of instruments and methodologies are used to effectively manage capital including share issues, reinsurance, dividend policies and Tier 1 and Tier 2 instruments. Capital targets are structured according to risk appetite, business lines regulatory frameworks and APRA's Non-Operating Holding Company conditions.

For regulatory purposes, capital is classified as follows:

- Common Equity Tier 1 (CET1) comprising accounting equity with adjustments for intangible assets and regulatory reserves.
- Tier 1 Capital comprising CET1 plus Additional Tier 1 Capital such as hybrid securities with 'equity-like' qualities.
- Tier 2 Capital comprising certain securities recognised as Tier 2 Capital, together with specific bank reserves eligible as regulatory capital.

- Total Capital is the sum of Tier 1 Capital and Tier 2 Capital. CET1 has the greatest capacity to absorb potential losses, followed by Additional Tier 1 Capital and then Tier 2 Capital.

To enable an assessment of the Capital Return on the Suncorp Group's capital position a summary of the following is included in the table below comprising an abridged:

- statement of the Group's CET1 capital position as at 30 June 2019; and
- proforma statement of the Group's CET 1 capital position as at 30 June 2019, which shows the impact of the Capital Return had it occurred on 30 June 2019.

| | Actual position as at 30 June 2019 \$m | Capital Return \$m | Proforma position as at 30 June 2019 after Capital Return \$m |
|---|---|-----------------------|--|
| CET1 capital | 7,341 | (506) | 6,835 |
| CET1 target | 5,780 | | 5,780 |
| Excess to CET1 target (pre-dividend) | 1,561 | (506) | 1,055 |
| Group dividend | (571) | | (571) |
| Excess to CET1 target (ex-dividend) | 990 | (506) | 484 |

(c) Impact on growth strategies

Having regard to the Company's current financial position, earnings growth, and the capacity to raise additional funds from well-established funding sources (if required), the Board is of the opinion that the Capital Return will not materially prejudice the Company's ability to actively pursue its growth strategy.

(d) Dividends

Under the Company's current dividend policy, it aims to pay annual dividends based on a target payout ratio of 60% to 80% of cash earnings. It is the Board's current intention for this policy to continue if the Capital Return is implemented.

As the Capital Return is not a dividend payment, the Dividend Reinvestment Plan does not apply to it.

(e) Credit rating

In determining whether to implement the capital management initiative, the Board has considered any potential impacts on the Company's credit rating and has determined that the capital management initiative will not affect the Company's credit rating.

(f) Tax implications of the Capital Return for the Company

No adverse tax consequences are expected to arise for the Company as a consequence of the capital management initiative.

What is the impact of the capital management initiative on the Company's securities other than ordinary shares?

There are several outstanding debt and hybrid instruments, issued by the Company and its subsidiaries. The holders of these instruments are not eligible for participation in the capital management initiative and there is no adjustment to the terms of these securities for the capital management initiative.

However, under the instrument terms, holders of SUNPE Convertible Preference Shares are entitled to vote on Resolution 4 for the Capital Return, as it is a capital reduction.

What is the impact of the capital management initiative on securities held under the Company's incentive plans?

The capital management initiative does not apply to indeterminate rights (being performance rights or share rights) or restricted shares allocated to senior executives under any performance or incentive plan.

For other employee share plans, (comprising the Suncorp Equity Participation Plan and the Tax Exempt Share Plan only), those employees have been allocated shares under a restriction period and will be treated as ordinary shareholders for the purposes of participating in the capital management initiative. As such, those employees will receive a capital return and each individual grant of shares held by the Trustee under a restriction period and allocated to an employee will be adjusted accordingly.

What are the tax implications of the capital management initiative?

The comments below are general in nature and should not be relied upon as advice. These comments are based on the Australian Taxation Law as currently enacted and current administrative practice in relation to the administration of the Australian Taxation Law by the Australian Taxation Office (ATO). The tax consequences for shareholders will depend on their own individual facts and circumstances. A shareholder should seek their own taxation advice in respect of the taxation consequences of the proposed Capital Return and Share Consolidation. Neither the Company, nor any of its officers, employees or advisors, assumes any liability or responsibility for advising shareholders about the tax consequences of the Capital Return and/or the Share Consolidation.

The Company has applied for a Class Ruling from the ATO to confirm the Company's understanding of the likely income tax consequences for ordinary shareholders who hold their ordinary shares on capital account for tax purposes. Any Class Ruling is expected to be published after the Capital Return/Share Consolidation is implemented. The ruling will be made available on the Suncorp Group website at suncorpgroup.com.au/investors/agm.

It is expected that the Class Ruling will confirm the following for ordinary shareholders holding their shares on capital account:

- there should be no immediate tax liability related to the Capital Return as the proceeds from the Capital Return should first be applied to reduce the ordinary shareholder's tax cost base in the shares. However, where the Capital Return exceeds the ordinary shareholder's cost base in the shares, a capital gain may arise.
- the Share Consolidation should not result in a Capital Gains Tax event. Ordinary shareholders will be required to determine the new cost base and reduced cost base of each new share having regard to the cost base of each share following the Capital Return and the number of new shares held following the Share Consolidation.

RESOLUTION 4 RETURN OF CAPITAL TO ORDINARY SHAREHOLDERS

If the Capital Return proceeds, what will it involve?

Subject to shareholders approving Resolutions 4 and 5, the Company proposes to make a cash payment to ordinary shareholders of 39 cents per ordinary share (representing approximately \$506 million in total) as a return of capital. If the Capital Return payment proceeds, payment will be calculated on a pre-consolidated basis.

Am I eligible to participate in the Capital Return?

Eligible shareholders entitled to receive a capital return on their shares are shareholders who are registered holders of ordinary shares as at the record date, being 7.00pm (AEST) on 1 October 2019.

How will I receive payment?

If shareholders approve Resolutions 4 and 5, payments will be made to eligible shareholders on the payment date as follows:

- by direct credit to the bank, building society or credit union account in either Australia or New Zealand nominated by each shareholder for receipt of dividends; or
- in the case of employees whose shares are held in trust as restricted shares under an employee share scheme, as a cash payment to the trustee, to be dealt with in accordance with the terms of the relevant share plan.

Shareholders can update their payment details via the Link website at linkmarketservices.com.au, or by contacting Link, before the proposed record date of 7pm (AEST) on 1 October 2019.

What are the legal requirements for a Capital Return?

(a) Equal reduction

The proposed Capital Return constitutes an equal reduction of the Company's share capital for the purposes of the Corporations Act. It applies to each holder of ordinary shares in the Company in proportion to the number of ordinary shares held by each ordinary shareholder, and the terms of the return are the same for each ordinary shareholder.

(b) Statutory requirements

The requirements under the Corporations Act for a company to reduce its share capital are set out below.

| Requirement | How is the requirement satisfied? |
|--|---|
| The reduction must be fair and reasonable to the Company's shareholders as a whole. | <p>The Board considers that the Capital Return is fair and reasonable to the Company's shareholders as a whole because:</p> <ul style="list-style-type: none">— it will be available to all holders of ordinary shares— the overall Capital Return received by each holder of ordinary shares will be proportionate to the number of shares they hold; and— the same rate of capital return of 39 cents per ordinary share will apply to each ordinary shareholder. |
| The reduction must not materially prejudice the Company's ability to pay its creditors. | <p>The Board has reviewed the Company's business plan including assets, liabilities and expected cash position, and is of the view that the Capital Return will not materially prejudice the Company's ability to pay its creditors.</p> <p>The Board has also satisfied itself as to the solvency of the Company following the Capital Return.</p> |
| The reduction must be approved by shareholders under section 256C of the Corporations Act. | <p>Shareholder approval is being sought at this AGM for the purposes of complying with the Corporations Act requirements. The Capital Return must be approved by an ordinary resolution of the Company's shareholders.</p> <p>In accordance with section 256C(5) of the Corporations Act, a copy of this Notice of Meeting (including the Explanatory Memorandum) has been lodged with the Australian Securities & Investments Commission.</p> |

The Share Consolidation ratio of 0.971 has been determined based on the amount of the Capital Return (39 cents per ordinary share) as a proportion of the Company's five-day VWAP (excluding some special trades) up to and including 5 August 2019 as follows: $(\$13.45 - \$0.39) / \$13.45 = 0.971$.

Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

Treatment of fractions

Where the consolidation of an ordinary shareholder's holding results in an entitlement to a fraction of an ordinary share, the fraction will be rounded up to the next whole number of ordinary shares.

If the Company is of the view that a shareholder has been a party to the division of a shareholding in an attempt to obtain an advantage from this treatment of fractions, the Company will take appropriate action, having regard to the terms of the Company's Constitution and the ASX Listing Rules. In particular, the Company reserves the right to disregard the division of a shareholding if the Company forms the view that the primary purpose of the division was to receive additional shares.

Why is the Share Consolidation being undertaken?

If the proposed Capital Return is implemented, the Company's ordinary shares may trade at a lower share price from the 'ex capital return' date than they otherwise would have done, had the Capital Return not occurred. This is due to the return of funds to shareholders and the consequent reduction in shareholders' funds.

Accordingly, the Board is proposing a consolidation of share capital through the conversion of its ordinary shares into a smaller number of ordinary shares based on the consolidation ratio of 0.971. This will reduce the number of the Company's ordinary shares on issue in a ratio which is consistent with the Capital Return.

The aim of the proposed Share Consolidation is to ensure that each ordinary shareholder's proportionate interest in the Company remains unchanged following the payment of the Capital Return (subject to the rounding up of fractional entitlements to the next whole number of shares) and neutralise any potential share price reduction as a result of the Capital Return.

What will be the effect of the Share Consolidation on the Company?

Subject to shareholders approving Resolutions 4 and 5, the proposed Share Consolidation will reduce the Company's aggregate ordinary shares on issue from approximately 1,298 million to approximately 1,261 million (representing a 2.9% reduction in the number of ordinary shares on issue).

By way of example, if a shareholder currently owns 100 ordinary shares, then the shareholder will own 98 ordinary shares (taking into account the rounding up of fractions) following the Share Consolidation. As the Share Consolidation applies equally to all holders of ordinary shares, the shareholder's holding will still represent the same percentage of the Company's issued ordinary capital as that held prior to the Share Consolidation (subject to minor changes as a result of rounding up each ordinary shareholder's holding to the nearest whole number of shares).

RESOLUTION 5 CONSOLIDATION OF ORDINARY SHARES

If the Share Consolidation proceeds, what will it involve?

The Company proposes to consolidate its share capital through the conversion of each ordinary share into 0.971 ordinary shares (**Share Consolidation ratio**).

OTHER MATTERS

Directors' interests

The number of ordinary shares in which each current director has an interest as at 12 August 2019 is set out in the table below.

| Director | Ordinary Shares |
|----------------------|-----------------|
| Christine McLoughlin | 50,000 |
| Audette Exel AO | 18,242 |
| Sylvia Falzon | 7,600 |
| Ian Hammond | 24,118 |
| Sally Herman | 30,000 |
| Simon Machell | 35,000 |
| Dr Douglas McTaggart | 27,922 |
| Lindsay Tanner | 6,100 |

No other material information

Other than as set out in this Notice of Meeting (including this Explanatory Memorandum), and any other information previously disclosed to the Company's shareholders, there is no other information that is known to the directors which may reasonably be expected to be material to the making of a decision by shareholders whether or not to vote in favour of the Capital Return or the Share Consolidation.

The table below sets out the timing of the proposed Capital Return and Share Consolidation.

The key dates for the capital management initiative, if approved, are:

| Event | Key dates |
|---|-----------------------------|
| Suncorp AGM and potential shareholder approval | Thursday, 26 September 2019 |
| Last day for trading of ordinary shares to be entitled to Capital Return Last day for trading in pre-consolidated ordinary shares | Friday, 27 September 2019 |
| Suncorp ordinary shares commence trading on an 'ex return of capital' basis Trading in post-consolidated Suncorp ordinary shares commences on a deferred settlement basis | Monday, 30 September 2019 |

| Event | Key dates |
|---|--|
| Record date for determining entitlement to participate in the Capital Return (entitlements will be determined by reference to Suncorp's pre-consolidation capital) Last day to register transfers of ordinary shares on a pre-consolidated basis | Tuesday, 1 October 2019 7.00pm (AEST) |
| Post-consolidation holdings entered into ordinary shareholders' security holdings Deferred settlement trading ends | Tuesday, 8 October 2019 |
| Holding notices issued confirming post-consolidation holdings of ordinary shareholders Payment date for the return of capital | Thursday, 24 October 2019 |

Board recommendation

The Board recommends that shareholders vote in favour of the resolution to approve the proposed Capital Return and that ordinary shareholders vote in favour of the resolution to approve the proposed Share Consolidation.

RESOLUTION 6

SELECTIVE CAPITAL RETURN IN RELATION TO SUNPE

Background

On 8 May 2014, the Company issued 4 million Convertible Preference Shares (which trade under ASX code SUNPE) with a face value of \$100 each, pursuant to a prospectus dated 8 April 2014 (**SUNPE Prospectus**). The full terms of SUNPE are set out in Appendix A of the SUNPE Prospectus (**SUNPE Terms**), which is available on the Suncorp Group website at suncorpgroup.com.au/investors. Unless otherwise defined, capitalised terms used in this section of the Explanatory Memorandum have the same meaning as in the SUNPE Terms contained within the SUNPE Prospectus.

Under the SUNPE Terms, the Company has the option, subject to approval from APRA, to Exchange all or some SUNPE on the Optional Exchange Date (being 17 June 2020). Subject to APRA approval and the restrictions contained in the SUNPE Terms, if the Company elects to Exchange SUNPE it can choose to do so through any or more of the following methods:

- Convert SUNPE into ordinary shares in the Company
- Redeem SUNPE; or
- Resell SUNPE.

The SUNPE Terms define 'Redeem' to include a redemption, a buy-back, a capital reduction or any combination of such activities.

Approval of this resolution will allow the Company to elect, subject to APRA approval, to Redeem all or some SUNPE through one or more selective capital reductions in respect of SUNPE on the Optional Exchange Date and, subject to obtaining the necessary agreements and approvals, including from APRA, would also allow the Company to effect one or more selective capital reductions in respect of all or some SUNPE outside of the SUNPE Terms, including on a date earlier than the Optional Exchange Date.

Why is shareholder approval being sought?

The Corporations Act requires that any selective capital reduction be approved by a special resolution passed at a general meeting of the Company.

Approval is being sought now so that the Company does not need to convene an extraordinary general meeting if it later decides to conduct a selective capital reduction in respect of SUNPE. If approval is obtained, any selective capital reduction in respect of SUNPE will be effected no later than 12 months after the date on which this resolution is passed.

Will any selective capital reduction in respect of SUNPE take place?

As at the date of this Explanatory Memorandum, no decision has been made by the Board regarding whether to undertake a selective capital reduction in respect of SUNPE or when such capital reduction (if any) would take place. If the Company makes a decision on whether to undertake any selective capital reduction or any related transactions, details of the relevant proposal will be announced to the ASX.

The Board would only decide to undertake a selective capital reduction if the Board considers that it is in the best interests of the Company to do so and is satisfied that it will have no material adverse impact on the Company's financial or regulatory capital position, no material prejudice to the Company's creditors and is in the best interests of the Company.

Any Redemption or selective capital reduction in respect of SUNPE is subject to APRA approval. SUNPE holders should not expect that APRA's approval will be given for any Redemption or selective capital reduction in respect of SUNPE.

Financial effect of the selective capital reduction

Cost of selective capital reduction

As at 26 August 2019, the cost of the selective capital reduction in respect of SUNPE would be up to \$100 per SUNPE, or \$400 million in total. The Company's issued share capital would be reduced by up to that amount. In addition, if the amount of the capital reduction per SUNPE is less than \$100 per SUNPE, the difference would be returned to SUNPE holders by way of redemption of the SUNPE. The redemption would be funded from profits of the Company or through implementing other funding alternatives for the purposes of the redemption.

Financial statements

The Company's latest audited financial statements, being the audited financial statements for the financial year ended 30 June 2019 are available on the Suncorp Group website at suncorpgroup.com.au/investors/reports.

Source of funds for the selective capital reduction

The funds for the selective capital reduction in respect of SUNPE may be provided through existing cash reserves or through implementing other funding alternatives. The Board will,

at the relevant time, consider the best alternative or combination of alternatives for funding any such transaction. Details of any proposal will, once finalised, be announced to the ASX.

What are the advantages of approving the resolution?

If Resolution 6 is approved, the Company would have the flexibility to effect one or more selective capital reductions in respect of all or some SUNPE.

More generally, the Company is committed to maintaining an efficient capital structure. The practical ability to conduct one or more selective capital reductions in respect of all or some SUNPE would provide greater capital management flexibility. This may also increase the Company's general flexibility to manage its regulatory capital.

What are the disadvantages of approving the resolution?

A potential disadvantage of conducting one or more selective capital reductions in respect of all or some SUNPE is that the Company would have a reduced capital base following those transactions. The Board would consider the adequacy of the reduced capital base having regard to the Company's present and anticipated future needs, in making any such decision.

Directors' interests

No director of the Company has an interest in any SUNPE.

No other material information

There is no other information known to the Board which may be material to the decision on how to vote in relation to this resolution which the Company has not previously disclosed to its shareholders or SUNPE holders.

Board recommendation

The Board recommends that ordinary shareholders vote in favour of the special resolution to approve the potential selective capital return in relation to SUNPE.

RESOLUTION 7 REINSERTION OF PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

Rule 41 of the Company's Constitution currently contains provisions dealing with proportional takeover bids for the Company's shares in accordance with the Corporations Act. The provisions prohibit the transfer of shares under a proportional takeover bid unless a proportional takeover bid resolution is passed by the shareholders in a general meeting approving the offer.

Under the Corporations Act and Rule 41.4 of the Company's Constitution, these provisions must be renewed every three years or they cease to have effect. The provisions were inserted into the Company's Constitution at the 2013 AGM and were subsequently renewed for a further three years at the 2016 AGM, on 22 September 2016.

Given that the existing Rule 41 will expire on 22 September 2019, Resolution 7 is a special resolution to reinsert the proportional takeover provisions in Rule 41 of the Constitution, to operate for a further three years from the date of the 2019 AGM.

If reinserted, the provisions contained in Rule 41 will operate on the same basis as previously, for three years from the date of the 2019 AGM.

Why are the provisions needed?

The directors consider that shareholders should continue to have the opportunity to vote on any proportional takeover bid for the Company.

Without the provisions, a bid may enable control of the Company to pass without shareholders having the chance to sell all their shares to the bidder. Shareholders, therefore, may be exposed to the risk of being left as a minority in the Company and of the bidder taking control of the Company without paying an adequate premium for gaining control.

The directors also consider that the provisions may avoid shareholders feeling pressured to accept a bid even if they do not want it to succeed.

What is the effect of the provisions?

If the provisions are reinserted and a bid is made, the directors will be required to seek the approval of shareholders for that bid more than 14 days before the bid period closes.

The resolution is decided on a simple majority. Each shareholder who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote. The bidder and their associates are not allowed to vote on the resolution.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the resolution is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

The bid will be taken to have been approved if the resolution is not voted on within the deadline specified in the Corporations Act. However, the directors will breach the Corporations Act if they fail to ensure the resolution is voted on.

The provisions do not apply to full takeover bids, and will only apply until 26 September 2022, unless again renewed by a special resolution passed by shareholders.

Potential advantages and disadvantages of the provisions

While the reinsertion of the provisions contained in Rule 41 will allow the directors to ascertain shareholders' views on a proportional takeover bid, the directors consider that the provisions do not otherwise offer any advantage or disadvantage to the directors who remain free to make their own recommendation to the shareholders of the Company as to whether the bid should be accepted.

The potential advantages of the provisions for shareholders include:

- that all shareholders have an opportunity to consider a proportional takeover bid and vote on the resolution at a general meeting which may assist in ensuring that any bid is attractive to a majority of shareholders
- it increases shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is appropriately priced
- knowing the view of the majority of shareholders may help each individual shareholder assess the likely outcome of the bid when determining whether to accept or reject the offer; and
- that the provisions may help shareholders avoid being locked in as a minority and avoid the bidder acquiring control of the Company without paying an adequate control premium.

The potential disadvantages of the provisions for shareholders include that the provisions:

- may discourage proportional takeover bids
- may reduce the likelihood of a proportional takeover bid being successful
- may reduce any speculative element in the market price of the Company's shares arising from the possibility of a proportional takeover bid being made; and
- may be considered to constitute an unwarranted additional restriction of the ability of shareholders to freely deal with their shares.

The Board considers that the potential advantages for shareholders of the provisions outweigh the potential disadvantages for shareholders.

Review of advantages and disadvantages of the provisions

There have been no full or proportional takeover bids for the Company while the provisions have been in operation.

Accordingly, there is no example against which the advantages or disadvantages of the provisions for the directors and the shareholders may be assessed. However, the directors consider that there have been no disadvantages to the shareholders arising from inclusion of the provisions in the Constitution and believe that the potential advantages of the provisions operating for the next three years outweigh the possible disadvantages.

No awareness of any proposal to acquire or to increase the extent of a substantial interest in the Company

As at the date on which this Explanatory Memorandum was prepared, no director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Board recommendation

The Board recommends that ordinary shareholders vote in favour of the special resolution to reinsert the proportional takeover provisions in Rule 41 of the Company's Constitution.

RESOLUTION 8

INSERTION OF ADDITIONAL NOTICE PROVISION IN THE CONSTITUTION

It is proposed that the following provision be inserted in the Constitution as Rule 38.7:

"Deemed notice to uncontactable Members

Where a Member does not have an address in the Register, or if the Company reasonably believes that a Member is not known at the Member's address in the Register, a document is taken to be given to the Member if the document is exhibited in the registered office of the Company for 48 hours. The document is taken to be served at the start of that period and need not be addressed to the Member."

This practice is common amongst other ASX listed entities and if approved by shareholders, will assist the Company in meeting its environmental performance commitment to explore options to reduce paper consumption. In addition, the initiative will deliver cost savings for the Company, including reduced printing and postage costs.

The Company's Constitution is available on the Suncorp Group website at suncorpgroup.com.au/about/corporate-governance, or by contacting Link (contact details are included on the following page).

Board recommendation

The Board recommends that ordinary shareholders vote in favour of the special resolution to insert the additional notice provision as Rule 38.7 of the Company's Constitution.

RESOLUTIONS 9A) AND B) RESOLUTIONS SPONSORED BY MARKET FORCES, REQUISITIONED BY SHAREHOLDERS HOLDING APPROXIMATELY 0.01% OF SUNCORP'S SHARES ON ISSUE AND NOT SUPPORTED BY THE BOARD

A group of 113 shareholders, holding approximately 0.01% of the Company's shares on issue, have proposed two resolutions under section 249N of the Corporations Act. The group of shareholders is sponsored by Market Forces and has also requested under section 249P of the Corporations Act that the supporting statements set out in Appendix 1 to this Notice of Meeting be provided to shareholders.

The Board recommends that ordinary shareholders vote against Resolution 9a), and if put to the meeting, Resolution 9b).

RESOLUTION 9A) - AMENDMENT TO THE CONSTITUTION

This resolution proposes a new provision in the Company's Constitution to enable shareholders, by ordinary resolution, to "express an opinion or request information about the way in which a power of the Company partially or exclusively vested in the Directors has been or should be exercised."

The Board's Response

The Board respects the rights of shareholders to seek to amend the Company's Constitution. However, the Board does not consider the requisitioned resolution to be in the best interests of all shareholders.

Under the Corporations Act, shareholders have existing rights to put forward resolutions at general meetings and are given opportunities at general meetings to ask questions of the Board, the Senior Leadership Team and Suncorp's Auditor, KPMG. Where shareholders are unable to attend a general meeting in person, they are invited to submit questions (via email or post) in advance of the meeting.

The Board believes that these existing arrangements sufficiently support and enable shareholder discussion, and that the proposed changes to the Company's Constitution may result in general meetings being utilised to promote positions by smaller shareholder groups, rather than advancing the interests of all shareholders.

Suncorp seeks and participates in meaningful and constructive engagement with a wide range of stakeholder groups, the outcomes of which are communicated to shareholders through a number of means, including the Annual Report, Responsible Business Report, ASX announcements and the Suncorp Group website. This engagement provides Suncorp with invaluable insights and Suncorp is committed to continuing this approach.

Board recommendation

The Board recommends that ordinary shareholders vote **against** the shareholder requisitioned special resolution to amend the Company's Constitution.

CONTINGENT RESOLUTION 9B) FOSSIL FUEL EXPOSURE REDUCTION TARGETS

This resolution is a contingent resolution. It will only be put to the meeting if special resolution 9a) is passed by the required majority of 75% of votes cast.

This advisory resolution proposes that the Company disclose short, medium and long-term targets to reduce investment and underwriting exposure to fossil fuel (oil, gas and coal) assets, together with plans and progress to achieve the targets set.

The Board's Response

Suncorp's action on climate change

Climate targets

Suncorp has already set a target to reduce investment and underwriting exposure to thermal coal, having confirmed it will not directly invest in, finance or underwrite new thermal coal mining extraction projects, or new thermal coal electricity generation, and that it will phase out of these exposures by 2025.

Overall, Suncorp's exposure to the fossil fuels industry is not material, being less than 0.5% of the insurance business, less than 0.5% of insurance and shareholder investment assets, and a negligible proportion of our commercial lending portfolio. Suncorp does not finance fossil fuel projects as it does not have an institutional bank.

The Board also notes that Suncorp has set new science-based targets to reduce its operational greenhouse gas emissions by 51% by 2030 and net-zero by 2050. Suncorp supports the ratification of the United Nations Framework Convention on Climate Change Paris Agreement by the governments of Australia and New Zealand, including their commitments to significantly reduce emissions below 2005 levels before the year 2030.

Climate plans and policies

Suncorp already has plans in place to achieve these targets, including its Climate Change Action Plan (**CCAP**), Responsible Investment Policy, and Responsible Banking & Insurance Policy which align our business practices with the Paris Agreement.

Through our Responsible Investment Policy which was implemented in 2017, Suncorp applies a shadow carbon price to manage the risk of stranded assets in the transition to a net-zero emissions economy, which is reviewed annually. The practical outcome of this is that Suncorp has already reduced its investment in fossil fuels including thermal coal.

Suncorp also seeks to increase exposure to businesses that have a positive environmental impact, including renewable energy generation and technology. As at 30 June 2019 Suncorp's low-carbon investment totalled \$310 million, including green bonds, used to finance environmentally sustainable projects which facilitate the transition to a low carbon economy, and other low-carbon assets such as renewable energy infrastructure, renewable energy credit and equity securities, and energy efficient real estate.

Climate disclosures and progress

Suncorp already makes comprehensive climate-related financial disclosures using the framework published by the Financial Stability Board Task Force on Climate-related Financial Disclosures (**TCFD**).

Suncorp will conduct climate change scenario analysis in 2019-20 as recommended under the TCFD and in line with commitments in the CCAP.

Suncorp reviews its approach annually and we continue to engage openly and constructively with our stakeholders as we work together to build the resilience of our business and the community.

Comprehensive disclosures of our progress against our climate policies and plans can be found at suncorpgroup.com.au/corporate-responsibility.

Background: Suncorp Climate Change Action Plan

Suncorp's CCAP was approved by the Suncorp Board in March 2018. It forms the basis for maturing Suncorp's assessment, management and disclosure of climate change risks and opportunities using the framework published by the Financial Stability Board TCFD.

It demonstrates how Suncorp will work with its customers and communities to support a transition to a net-zero emissions economy by 2050. Suncorp has committed to:

1. Strengthen our governance processes (including assessment of climate risk)
2. Reduce our environmental footprint
3. Increase community resilience
4. Accelerate emerging opportunities and climate-related innovation
5. Track and openly disclose our climate-related performance.

Copies of Suncorp's 2018–19 Responsible Business Report and Climate-related Financial Disclosures are available on our website at suncorpgroup.com.au/corporate-responsibility.

Board recommendation

In light of the above commitments and significant progress in recent years in assessing and managing climate-related risks and opportunity, the Board recommends, if put to the meeting, that ordinary shareholders vote **against** the shareholder requisitioned advisory resolution to disclose fossil fuel exposure reduction targets.

APPENDIX 1

SUPPORTING STATEMENTS PROVIDED BY MARKET FORCES

The statements below were provided by Market Forces and are not endorsed by the Board. The Board recommends that ordinary shareholders vote against Resolution 9a) and, if put to the meeting, Resolution 9b).

RESOLUTION 9A) AMENDMENT TO THE CONSTITUTION

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions other than Australia. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. As a matter of practice, typically, unless the board permits it, Australian shareholders cannot follow the example of their UK, US, New Zealand or Canadian cousins in this respect.

A board of Directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In rare situations the appropriate course of action for shareholders dissatisfied with the conduct of board members is to seek to remove them. But in many situations such a personality-focused approach is unproductive and unwarranted. In those situations a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings such as the AGM to alert board members that the shareholders seek more information or favour a particular approach to corporate policy.

The constitution of Suncorp is not conducive to the right of shareholders to place resolutions on the agenda of a shareholder meeting.

In our view, this is contrary to the long-term interests of Suncorp, the Suncorp board and all Suncorp shareholders.

Passage of this resolution – to amend the Suncorp constitution – will simply put Suncorp in a similar position in regard to shareholder resolutions as any listed company in the UK, US, Canada or New Zealand.

We encourage shareholders to vote in favour of this resolution.

CONTINGENT RESOLUTION 9B) FOSSIL FUEL EXPOSURE REDUCTION TARGETS

This resolution is proposed in order to protect the long-term interests of the company, noting that:

- a) *Climate change is already impacting our company's profitability and any increase in global warming enhances the risk profile of climate change impacts to our financial health;*
- b) *a primary driver of global warming is the fossil fuel industry (coal, oil and gas), which our company is exposed to through investments and underwriting;*

- c) our competitors, domestically and in other markets, have taken steps to reduce fossil fuel investments and underwriting; and
- d) Suncorp has recently called for action from business and government to reduce emissions. However, to be a credible public proponent for action that mitigates and builds resilience to climate change impacts, Suncorp needs to have its own house in order.

Shareholder value at risk

Over the decade to FY18, claims due to floods, fires, cyclones and other natural disasters, the majority of which are being exacerbated by global warming, exceeded Suncorp's provisioning by approximately A\$1.7 billion.¹ Suncorp has under-provisioned for natural hazards in eight of the last 10 years.² In the six months to 31 December 2018, profit was slashed by 45% year-on-year mainly as a result of extreme weather events.³ Suncorp has announced that in the next financial year it will increase its natural hazard allowance to A\$820 million from A\$720 million and buy another A\$200 million of natural perils reinsurance cover.⁴

The losses incurred by Suncorp on natural hazards, exacerbated by global warming, are a direct hit to the shareholder capital invested in his company, and present fundamental risks to our industry's ability to operate. According to Tom Herbstein of Cambridge University's insurance project ClimateWise, "climate change fundamentally challenges the existing insurance business model because it is rendering actuary analysis in many places obsolete."⁵

In 2018 IAG⁶ and the NZ Reserve Bank⁷ warned the effects of climate change will render huge swathes of the globe uninsurable. The same warning was made specifically for Townsville after its record-breaking floods in February 2019.⁸ According to Munich Re, during the three decades to 2012 Australian weather-related insurance losses rose fourfold.⁹ The trend is clear. Without significant and urgent action in both climate change mitigation and adaptation, Suncorp will lose an increasing number of customers due to the unaffordability of insurance, combined with less predictable natural catastrophe claims.

To limit global warming to 1.5 degrees coal, oil and gas must not expand

"It turns out that if we built no more fossil fuel infrastructure and instead replaced existing infrastructure at the end of its productive life with a zero carbon alternative we could limit peak temperature rise to 1.5°C – as long as we start now." – Chris Smith, Research Fellow in Physical Climate Change, University of Leeds, 16 January 2019¹⁰

The Paris Agreement commits the world's governments to pursue efforts to limit global warming to 1.5 degrees above pre-industrial levels. In order to achieve this, the coal, oil and gas industries cannot be allowed to expand, and fossil fuel use needs to shrink rapidly.

In the 2018 IPCC report on 1.5 degrees, model pathways with no or limited overshoot of 1.5°C of warming showed that global net anthropogenic CO₂ emissions must decline by about 45% from 2010 levels by 2030, reaching net zero around 2050.¹¹

The use of oil for primary energy declines between 2020 and 2030 in all of the 85 pathways in the IPCC report for limiting warming to 1.5 degrees. The use of gas declines between 2020

and 2030 in all scenarios¹² that do not assume "widespread deployment of CCS (carbon capture and storage)",¹³ a technology that has failed to prove itself effective at scale.

Suncorp's exposure to all fossil fuels needs to reflect the IPCC's advice if our company is to be considered as acting in line with a safe climate future. Setting targets to reduce exposure through investments and underwriting to oil, gas and coal would allow shareholders to appreciate how Suncorp is managing its own exposure to transitional climate risk, while playing its part in mitigating future physical risk. At the same time, the company would be able to call for strong action on climate change with credibility, knowing its own house is in order.

Investor support is required

This resolution is intended to ensure Suncorp is acting sufficiently, within its sphere of influence, to manage and mitigate a risk that is already undermining the financial health of the company and its shareholders. It would afford the company credibility among its peers and in the public domain when calling for action to be taken on climate change, and send an important market signal that an urgent transition to a low-carbon economy is necessary. This will serve to mitigate climate change and therefore the financial risks it poses to our company.

We encourage shareholders to vote in favour of this resolution.

1 Comparison of natural hazard allowances versus claims as disclosed in Suncorp Group annual financial reports, FY09-18

2 Ibid

3 <https://www.suncorpgroup.com.au/announcements-pdf/1162537>

4 <https://reuters.com/article/suncorp-results/update-2-australias-suncorp-h1-profit-slumps-on-hazard-claims-regulatory-costs-idUSL3N2085QM>

5 <https://www.bloomberg.com/news/articles/2017-11-13/big-insurers-brace-for-perilous-future-as-climate-risks-escalate>

6 <https://www.afr.com/business/insurance/climate-change-on-track-to-make-world-uninsurable-iag-20181115-h17xu5>

7 <https://www.stuff.co.nz/business/108931621/reserve-bank-voices-fears-climate-change-will-render-homes-uninsurable>

8 <https://www.insurancebusinessmag.com/au/news/breaking-news/climate-changedriven-flood-risk-could-make-townsville-homes-uninsurable-159513.aspx>

9 <https://www.smh.com.au/business/the-economy/australias-insurance-losses-to-climb-as-globe-warms-munich-re-20121027-28bxa.html>

10 <https://theconversation.com/immediate-phase-out-of-fossil-fuels-could-keep-warming-below-1-5-c-109672>

11 https://www.ipcc.ch/site/assets/uploads/sites/2/2019/02/SR15_Chapter2_Low_Res.pdf

12 Ibid, page 132

13 Ibid, page 97



INFORMATION ON SUNCORP GROUP

This Notice of Annual General Meeting forms part of Suncorp Group's 2018-19 Annual Report Suite which includes the Annual Report, Responsible Business Report and the Corporate Governance Statement. These documents are available on the Suncorp Group website at suncorpgroup.com.au/investors/reports or copies may be obtained on request by contacting our share registry, Link Market Services Limited, via the contact details on page 5 of this document.

A shareholder voting form is enclosed for shareholders entitled to attend the AGM and vote. This form is personalised to facilitate easier registration and has detailed information on how shareholders may lodge their vote, either directly or by appointing a proxy to attend and vote on their behalf.

To see more, go online
suncorpgroup.com.au

Registered office

Suncorp Group Limited
Level 28, 266 George Street
Brisbane, Qld Australia 4000
+61 7 3135 2901

Shareholder enquiries

suncorp@linkmarketservices.com.au
1300 882 012 (inside Australia)
+61 2 8767 1219 (outside Australia)

Investors

investor.relations@suncorp.com.au

Corporate Responsibility

responsible@suncorp.com.au

General product enquiries

13 11 55

Connect

suncorpgroup.com.au
[@SuncorpGroup](https://twitter.com/SuncorpGroup)



NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



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VOTING FORM

I/We being a member(s) of Suncorp Group Limited and entitled to attend and vote hereby appoint:

STEP 1 Please mark either A or B

A VOTE DIRECTLY

elect to lodge my/our vote(s) directly (mark box)



in relation to the Annual General Meeting of the Company to be held at **10:30am (AEST) on Thursday, 26 September 2019**, and at any adjournment or postponement of the Meeting.

You should mark either "for" or "against" for each item.

OR

B APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am (AEST) on Thursday, 26 September 2019 at The Ballroom, Sofitel Brisbane Central, 249 Turbot Street, Brisbane (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 & 2: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 & 2, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1-8 and against Resolutions 9a and 9b.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than **10:30am (AEST) on Tuesday, 24 September 2019**. Please read the voting instructions overleaf before marking any boxes with an .

STEP 2

Resolutions

- 1 Remuneration Report
- 2 Grant of Performance Rights to the Acting Chief Executive Officer
- 3a Re-election of Director - Ms Sally Herman
- 3b Election of Director - Mr Ian Hammond
- 4 Return of Capital to Ordinary Shareholders
- 5 Consolidation of Ordinary Shares
- 6 Selective Capital Reduction in Relation to SUNPE
- 7 Reinsertion of Proportional Takeover Provisions in the Constitution
- 8 Insertion of Additional Notice Provision in the Constitution

Board Recommendation For Against Abstain*

| Board Recommendation | For | Against | Abstain* |
|----------------------|--------------------------|--------------------------|--------------------------|
| FOR | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| FOR | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| FOR | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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| FOR | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| FOR | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Resolutions Sponsored by Market Forces and Requisitioned by Shareholders Holding Approximately 0.01% of Suncorp's Shares on Issue

- 9a Amendment to the Constitution
- 9b Contingent Resolution - Fossil Fuel Exposure Reduction Targets

| | | | |
|---------|--------------------------|--------------------------|--------------------------|
| AGAINST | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| AGAINST | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

SUN PRX1901N




LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Suncorp Group Limited
C/- Link Market Services Limited
PO Box A50
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: 1300 882 012
Outside Australia: +61 2 8767 1219

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.

LODGEMENT OF A VOTING FORM

This Voting Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10.30am (AEST) on Tuesday, 24 September 2019**, being not later than 48 hours before the commencement of the Meeting. Any Voting Form received after that time will not be valid for the scheduled Meeting. Voting Forms may be lodged using the reply paid envelope or:

 **ONLINE**
www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Voting Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Voting Form).

HOW TO COMPLETE THIS SHAREHOLDER VOTING FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make handwritten corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

VOTING UNDER BOX A – VOTING DIRECTLY

If you ticked the box under Box A you are indicating that you wish to vote directly. You may vote by marking one of the boxes opposite each resolution. If you do not mark any of the boxes opposite a resolution, your vote will be invalid for that resolution.

Custodians and nominees may, with the share registry's consent, identify on this form the total number of votes in each of the categories "For" and "Against" and their votes will be valid.

If you have lodged a direct vote, and then you attend the Meeting, your attendance will cancel your direct vote.

The Chairman's decision as to whether a direct vote is valid is conclusive.

VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step B. If you wish to appoint someone other than the Chairman as your proxy, please write the name of that individual or body corporate in the box provided at Step B. A proxy need not be a shareholder of the Company.

If you complete both Box A and Box B, or neither of Box A or Box B, this form will be deemed to be an appointment of proxy to the Chairman.

DEFAULT TO CHAIRMAN

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted as stated in this Voting Form, including where those resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each resolution. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the proportion or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution then, subject to the rest of this section and the restrictions in the Notice of Meeting, your proxy may vote as he or she chooses.

If the Chairman is your proxy (either by appointment or default), and you do not complete any of the boxes by marking "For", "Against" or "Abstain" opposite a resolution on this form, the Chairman intends to exercise your vote in favour of each resolution. If you wish to appoint the Chairman as your proxy with a direction

to vote against, or to abstain from voting on a resolution, you should specify this by marking the "Against" or "Abstain" boxes opposite the resolution on this form. If you mark more than one box on a resolution your vote on that resolution will be invalid.

APPOINTMENT OF A SECOND PROXY

If you are entitled to cast two or more votes, you may appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional voting form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first voting form and the second voting form state the proportion of your voting rights or number of shares applicable to that form. If the appointments do not specify the proportion or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both voting forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the shareholder must sign.

Joint Holding: where the holding is in more than one name, any one joint shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form and return both documents by mail or by hand. By signing this form you declare that you have not received any notice of revocation of your appointment as attorney.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Suncorp Group Limited
C/- Link Market Services Limited
PO Box A50
Sydney South NSW 1235 Australia

BY FAX
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1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: 1300 882 012
Outside Australia: +61 2 8767 1219



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SUNPE VOTING FORM

As a holder of convertible preference shares issued on 8 May 2014 (SUNPE), you are eligible to vote on Resolutions 4 and 6 only, to be put before the Annual General Meeting of the Company.

However, please note that voting restrictions apply to Resolution 6. Please refer to the Notice of Meeting for more information.

Only SUNPE can be voted using this form. If you are also a holder of ordinary shares in the Company, you will have received a separate voting form for those shares. The voting restrictions for Resolution 6 also apply to votes you place as a holder of ordinary shares.

STEP 1 Please mark either A or B

A VOTE DIRECTLY

elect to lodge my/our vote(s) directly (mark box)

in relation to the Annual General Meeting of the Company to be held at **10:30am (AEST) on Thursday, 26 September 2019**, and at any adjournment or postponement of the Meeting.
You should mark either "for" or "against" for each item.

OR

B APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am (AEST) on Thursday, 26 September 2019 at The Ballroom, Sofitel Brisbane Central, 249 Turbot Street, Brisbane (the Meeting)** and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 4 and 6.

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 10:30am (AEST) on Tuesday, 24 September 2019.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

- 4 Return of Capital to Ordinary Shareholders
- 6 Selective Capital Reduction in Relation to SUNPE

Board Recommendation For Against Abstain*

| | | | |
|-----|--------------------------|--------------------------|--------------------------|
| FOR | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| FOR | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SUNPE VOTING FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make handwritten corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

VOTING UNDER BOX A – VOTING DIRECTLY

If you ticked the box under Box A you are indicating that you wish to vote directly. You may vote by marking one of the boxes opposite each resolution. If you do not mark any of the boxes opposite a resolution, your vote will be invalid for that resolution.

Custodians and nominees may, with the share registry's consent, identify on this form the total number of votes in each of the categories "For" and "Against" and their votes will be valid.

If you have lodged a direct vote, and then you attend the Meeting, your attendance will cancel your direct vote.

The Chairman's decision as to whether a direct vote is valid is conclusive.

VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step B. If you wish to appoint someone other than the Chairman as your proxy, please write the name of that individual or body corporate in the box provided at Step B. A proxy need not be a shareholder of the Company.

If you complete both Box A and Box B, or neither of Box A or Box B, this form will be deemed to be an appointment of proxy to the Chairman.

DEFAULT TO CHAIRMAN

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman will be voted as stated in this form, including where those resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each resolution. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the proportion or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution then, subject to the rest of this section and the restrictions in the Notice of Meeting, your proxy may vote as he or she chooses.

If the Chairman is your proxy (either by appointment or default), and you do not complete any of the boxes by marking "For", "Against" or "Abstain" opposite a resolution on this form, the Chairman intends to exercise your vote in favour of each resolution. If you wish to appoint the Chairman as your proxy with a direction to vote against, or to abstain from voting on a resolution, you should specify this by marking the "Against" or "Abstain" boxes opposite the resolution on this form.

If you mark more than one box on a resolution your vote on that resolution will be invalid.

APPOINTMENT OF A SECOND PROXY

If you are entitled to cast two or more votes, you may appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional voting form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first voting form and the second voting form state the proportion of your voting rights or number of shares applicable to that form. If the appointments do not specify the proportion or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both voting forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the shareholder must sign.

Joint Holding: where the holding is in more than one name, any one joint shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form and return both documents by mail or by hand. By signing this form you

declare that you have not received any notice of revocation of your appointment as attorney.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of a corporate shareholder is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A VOTING FORM

This voting form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (AEST) on Tuesday, 24 September 2019**, being no later than 48 hours before the commencement of the Meeting. Any voting form received after that time will not be valid for the scheduled Meeting.

Voting forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the voting form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of this form).



BY MAIL

Suncorp Group Limited
C/- Link Market Services Limited
PO Box A50
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm (AEST))

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**