

Now a pure insurer

Company/ASX Code	Suncorp Group/SUN
AGM time and date	10am AEST (Brisbane time) Tuesday, 22 October 2024
Location	Brisbane Convention & Exhibition Centre, South Bank, Brisbane and online at http://meetings.linkgroup.com/suncorp24
Registry	Link Market Services
Type of meeting	Hybrid
Monitor	John Whittington, assisted by Steve Mabb, Susan Bailey, and David Midwood
Pre-AGM Meeting	Yes, with Chair Christine McLoughlin, Non-Executive Director Gillian Brown, and EGM Strategy, Corporate Development and Investor Relations, Neil Wesley

Monitor Shareholding: The individual(s) (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
1	Return of capital to ordinary shareholders	For
2	Consolidation of ordinary shares	For
3	Amendment to the Constitution following the sale of Suncorp Bank	For
4a	That Ms Gillian Brown be elected as a director of the Company	For
4b	That Ms Sylvia Falzon be re-elected as a director of the Company	For
4c	That Ms Christine McLoughlin be re-elected as a director of the Company	For
4d	That Mr Lindsay Tanner be re-elected as a director of the Company	Undecided
4e	That Mr Duncan West be re-elected as a director of the Company	For
5	Non-executive director fee pool	For
6	Renewal of proportional takeover provisions in the Constitution	For
7	Remuneration Report	For
8	Grant of performance rights to the Chief Executive Officer & Managing Director	For

2. Summary of Issues and Voting Intentions for AGM

- Solid financial performance in FY24
- The sale of Suncorp Bank to ANZ was completed during the year and Suncorp is now a pure insurer. ASA continues to be disappointed that the company didn't allow a shareholder vote on the divestment of Suncorp Bank
- Annual Report and Remuneration Report both are clear and communicate most information needed well, and remuneration quantum and structure are aligned with ASA guidelines

3. Matters Considered

Accounts and reports

Suncorp had another solid financial performance for the year, returning to an annual profit of just over \$1bn, up 4% on last year's strong performance.

Financial performance

(As at FYE)	2024	2023	2022	2021	2020
NPAT (\$m)	1,197	1,148	681	1,033	913
UPAT (\$m)	1,121	1,062	991	921	830
Share price (\$)	17.41	13.49	10.98	11.11	9.23
Dividend (cents)	78	60	40	74	36
Simple TSR (%)	35%	28%	2%	28%	-29%
EPS (cents)	94	91	54	81	72
CEO total remuneration, actual (\$m)	4.312	3.604	3.747	2.903	2.317

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Governance and culture

Governance of the company seems good with the company meeting most ASA guidelines.

We are disappointed that the company does not provide a genuine board skills matrix – they only provide a table with very generous assessments of skills held by the board as a whole - and we are asking the company to do better. With this matrix, it is very difficult for shareholders to assess if there are risks due to insufficient specialist skills on the board (we suspect not but need a genuine matrix to be sure).

The company does not disclose how long the current auditor has served and when the last competitive audit tender was held. It also allows payment for political fund raisers and does not disclose the amounts paid in the Annual Report or Corporate Governance Statement. We are asking for better disclosure in both these areas.

We are also disappointed that the company seems opposed to giving retail shareholders adequate notification of, and real time (listen only) access to analyst results briefings as do many other companies. The ASA believes that such restrictions disadvantage retail shareholders compared with others.

Key events

The sale of Suncorp Bank to ANZ was finally completed on 31 July.

Key board or senior management changes

Doug McTaggart retired from the board in December having been a member of the board since April 2012. He was replaced by Gillian Brown who was appointed to the board in February.

Clive van Horen, CEO Suncorp Bank, left in December. He was replaced by Bruce Rush who left with the sale of the bank to ANZ in July.

In September 2023 there were some executive changes with Paul Smeaton, Insurance COO, retiring, Lisa Harrison and Michael Miller being promoted to the new roles of CEO Consumer Insurance and CEO Commercial and Personal Injury Insurance, and Adam Bennett being promoted to the new role of GE Technology and Operations.

Sustainability/ESG

The company provides comprehensive sustainability and (TCFD) Climate Disclosure reports which allow shareholders to make an informed decision about these matters.

4. Rationale for Voting Intentions

Resolution 1 Return of capital to ordinary shareholders (for)

Shareholders had previously been informed that the final stage of the divestment of Suncorp Bank would be a return of capital to shareholders. This resolution enables that step to be taken with the exact amount to be determined by the board.

The ASA will support this resolution.

Resolution 2 Consolidation of ordinary shares (for)

It has become common practice for companies to consolidate shares following a capital return to keep the share price about the same as it had been before the capital return.

Whilst such consolidations are really only window dressing, there is nothing fundamentally wrong with them and the ASA will support this resolution.

Resolution 4 Amendment to the Constitution following the sale of Suncorp Bank (for)

This is a housekeeping update following changes to Queensland legislation to enable the sale of Suncorp Bank.

The ASA will support this resolution.

Resolution 4a That Ms Gillian Brown be elected as a director of the Company (for)

Ms Brown, a lawyer and former partner and Chair of Minter Ellison with specific expertise in ESG initiatives and complex corporate transactions, was appointed to the board in February 2024. She is building her shareholding and is independent.

Ms Brown is currently a non-executive director of unlisted bodies, High Speed Rail Authority, Electricity Retained Interest Corporation Ausgrid (and a number of its group entities), QIC Limited, BRIC Housing Limited and Queensland Community Foundation. We do not consider her workload excessive.

We believe that Ms Brown is well qualified, can contribute to the board and we support her election.

Resolution 4b That Ms Sylvia Falzon be re-elected as a director of the Company (for)

Ms Falzon, who has a background in senior executive roles in the insurance industry, was appointed to the board in September 2018. She has a shareholding equivalent to over 150% of her expected annual remuneration and is independent.

Ms Falzon is currently a non-executive director of one listed company, Premier Investments, as well as being Chair of the Governing Board of Cabrini Australia and a member of the Australian Government Takeovers Panel. We do not consider her workload excessive.

We believe that Ms Falzon is well qualified, can contribute to the board and we support her re-election.

Resolution 4c That Ms Christine McLoughlin AM be re-elected as a director of the Company (for)

Ms McLoughlin, who has a background in leadership roles in financial services and telecommunications, was appointed to the board in February 2015. She has a shareholding equivalent to over 130% of her expected annual remuneration and is independent.

Ms McLoughlin is currently a non-executive director of one listed company, Cochlear, and Chairman of Minerva Network, a not-for-profit. She will be taking up the role as Chairman of Aware Super in October. We do not consider her workload excessive.

We believe that Ms McLoughlin is well qualified, can contribute to the board and we support her re-election.

Resolution 4d That Mr Lindsay Tanner be re-elected as a director of the Company (undecided)

Mr Tanner, a lawyer and former politician and Federal Government Minister, was appointed to the board in January 2018. He has a shareholding equivalent to just over 90% of his expected annual remuneration and is independent.

Mr Tanner is currently a Chair of AFL Victoria and non-executive director of unlisted Industry Super Holdings, IFM Investors, and the Future Skills Organisation. We do not consider his workload excessive.

We believe that Mr Tanner is well qualified and can contribute to the board. We are concerned however that, after over six years on the board he has not acquired shares equivalent to his expected annual remuneration. We believe directors should have sufficient “skin in the game” to align their interests with shareholders and, at the AGM, will ask whether he plans to increase his shareholding. If he does, we will support his re-election.

Resolution 4e That Mr Duncan West be re-elected as a director of the Company (for)

Mr West, a former CEO of both Vero insurance and CGU Insurance, with over 40-year experience in the general insurance and financial services sectors, was appointed to the board in September 2021. He has a shareholding equivalent to almost 130% of his expected annual remuneration and is independent.

Mr West is currently Chair of listed company Challenger and a non-executive director of Helia Group. He is also a director of unlisted Avant Mutual Group and Chair of Habitat for Humanity Australia. We do not consider his workload excessive.

We believe that Mr West is well qualified, can contribute to the board and we support his re-election.

Resolution 5 Non-executive director fee pool (for)

The last increase to the director fee pool was in 2007 and, given the average non-executive director tenure post the AGM will be 6 years, the requested increase in the fee pool will provide the necessary flexibility to continue to facilitate board renewal. The board will not increase individual fees paid to directors in FY25 if this motion is successful.

The ASA will support this resolution.

Resolution 6 Renewal of Proportional Takeover Provisions in the Constitution (for)

The Corporations Act permits a company to include in its constitution a provision which enable the company to refuse to register a transfer of shares acquired under a proportional takeover bid unless a resolution is first passed by members approving the bid. The resolution prevents companies gaining control cheaply and allows shareholders to decide if the bid should proceed.

The ASA will support this resolution.

Resolution 7 Remuneration Report (for)

The report is one of the better this monitor has read and, to a large degree, communicates the structure and outcome very well without taking interminable numbers of pages on unnecessary detail. There are some excellent graphics which this monitor hasn't seen elsewhere, and it would be good to see more companies use them.

The quantum (ie \$ amount) of the awards are in line with similar companies.

Remuneration is part fixed and part variable where the variable component should be considered variable pay rather than a bonus. Performance under target/expectations will result in lower pay, performance above target/expectations will result in higher pay.

The variable element consists of short-term incentives (STI) which can vary between 0 and 100% of fixed pay, and long-term incentives (LTI) which can vary between 0 and 150% of fixed pay. So total pay can vary from just fixed pay alone (for very poor performance) to 3.5 times fixed pay (for exceptional performance).

STIs are awarded half in cash immediately, and half in share rights which vest over two subsequent years and are calculated based on performance against 11 targets (weighted 50% financial) for the current year. LTIs are awarded in share rights calculated based on total shareholder return (TSR) against both the ASX100 (35%) and ASX100 financial organisations (35%), as well as relative

Suncorp net promoter score (NPS, 20%) and relative trust and reputation (10%). All LTI awards are measured over three years and vest equally over the next three years (ie years 4-6).

In 2024 there was also an additional incentive paid for the successful separation of Suncorp Bank which was worth 20% of fixed pay.

Senior executives are required to hold Suncorp share equivalent to 100% of fixed pay within four years of their appointment.

In conclusion, we believe that the level of remuneration is not excessive, the incentives are generally aligned with shareholders, disclosure is good, and the clarity and understandability of the report itself is excellent. As a result, we will be supporting the report.

Resolution 8 Grant of Performance Rights to the Chief Executive Officer & Managing Director (for)

This is for the issue of a maximum of 188,624 performance rights worth \$3.213m (based on the volume weighted average price of the five trading days leading up to 1 July). This grant will be similar to that described in item 7 (which refers to the FY23 scheme) but will be evaluated over four years rather than three. Vesting of the award will still take place in years 4-6.

We believe that the level of award is not excessive and is aligned with shareholders so will support this grant.

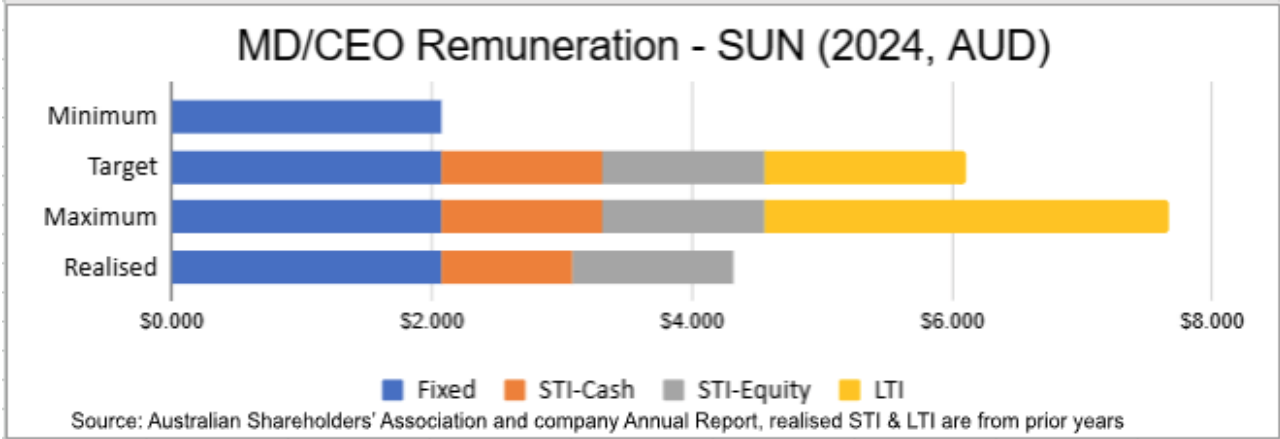
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Appendix 1 Remuneration framework detail



The amounts in the chart above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration framework set a maximum opportunity amount, but not all.