

# Corporate Governance Statement 2017-18

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## 2017–18 CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement (**Statement**) for Suncorp Group Limited (the **Company**) reports on the corporate governance framework, policies and practices of the Company and its subsidiaries (the **Suncorp Group**, **Suncorp** or the **Group**), and highlights where related governance documents and other information are located on the [Suncorp Group website](#). The Statement has been approved by the Suncorp Board of Directors (the **Board**) and the representations made are accurate as at **9 August 2018**.

Suncorp complies with the *Corporations Act 2001* (Cth) (**Corporations Act**) and the Australian Securities Exchange (**ASX**) Listing Rules. As an entity regulated by the Australian Prudential Regulation Authority (**APRA**), Suncorp also complies with the governance requirements prescribed by APRA under Prudential Standard CPS 510 *Governance*.

Throughout the reporting period (which is the financial year ended 30 June 2018), Suncorp's governance arrangements have been consistent with the ASX Corporate Governance Council's (**ASX CGC**) *Corporate Governance Principles and Recommendations* (3rd edition).

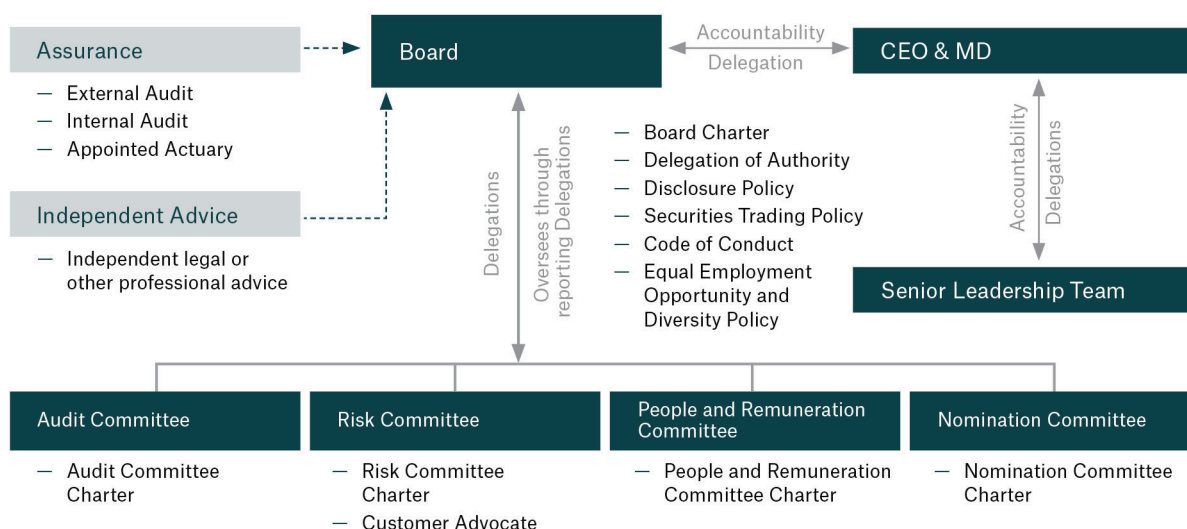
Detailed information about Suncorp's business activities is available at [suncorpgroup.com.au](http://suncorpgroup.com.au).

The Board believes high standards of corporate governance are essential for achieving business objectives, sustaining long-term share price performance and creating value for shareholders. The Board understands the important role it plays in stewarding Suncorp's social licence to operate, corporate culture and corporate governance.

The Board is committed to maintaining a corporate governance framework and corporate culture that value ethical behaviour and integrity. The Board is responsible for the corporate governance framework which operates under Board-approved policies, charters and practices. The Board Committees help the Board fulfil its governance role.

The Board and its Committees regularly review the Group's corporate governance framework and associated practices to ensure that they keep up to date with regulatory change, market practice and community expectations.

### Corporate Governance Framework



## 2017–18 Key developments and achievements

### Board renewal

The Board has made several strategic appointments during the year:

- the Board Chairman's transition was announced on 19 April 2018 – Ms Christine McLoughlin<sup>1</sup> is to fulfil the role of Chairman at the conclusion of the 2018 Annual General Meeting, following Dr Switkowski's retirement
- the appointment on 1 January 2018 of Mr Lindsay Tanner as a non-executive director who brings to the Board extensive knowledge of both the political landscape and the financial services sector
- the appointment of Ms Sylvia Falzon as a non-executive director with effect from 1 September 2018. Ms Falzon brings extensive financial services experience across asset and wealth management and life insurance.

### Gender balance

Suncorp's commitment to gender equality is reflected in its progress towards stated gender equality goals:

- Suncorp has surpassed its target of 43% of senior leader positions held by women by 30 June 2018 (with 44.4% of these roles held by women at 30 June 2018). In addition, gender equality was achieved across total leadership roles at 30 June 2018.
- The Suncorp Board will later this year achieve a 50/50 gender balance among its non-executive directors when the appointment of Ms Sylvia Falzon takes effect on 1 September 2018.

### Corporate Responsibility

Suncorp has made significant progress with its corporate responsibility commitments, most notably with the introduction of our Responsible Investment Policy, Climate Change Action Plan, Financial Inclusion Action Plan and Reconciliation Action Plan. More details are in the 2017–18 Annual Review, available at [suncorpgroup.com.au/responsibility/reports](http://suncorpgroup.com.au/responsibility/reports).

### Governance model review

Governance has been a continued focus for the Board. More recently a Board-driven review of its governance model and charters was undertaken. In doing so, the review considered the shift in community and regulator expectations in relation to the way that boards and senior management conduct themselves and how they frame their public disclosures. Specifically the key changes include:

- the reflection of new or upcoming regulatory and compliance standards, which include the introduction of the Banking Executive Accountability Regime (which introduces new standards, administered by APRA, of accountability for banks' senior executives)
- expanding the role of the Remuneration Committee to include people strategies, policies and practices and renaming it the 'People and Remuneration Committee'.

Copies of the Board and Board Committee Charters are available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance).

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<sup>1</sup> Ms McLoughlin is standing for re-election at the 2018 Annual General Meeting.

## 1. Suncorp Board and Board delegations

### 1.1 The Board's role

Suncorp's Constitution states that its business and affairs are to be managed under the Board's direction. The Board's role, responsibilities, powers and duties are further detailed in the Board Charter.

The Board is ultimately responsible for Suncorp's sound and prudent management, including:

- representing shareholders and policyholders, accounting for performance and delivering long-term value
- approving the strategic direction of the Group
- monitoring and guiding management
- appointing the CEO & Managing Director and determining the CEO & Managing Director's succession
- promoting high standards of corporate governance across the Group
- ensuring fair treatment for all stakeholders, including the customer
- considering the interests of the community.

The Board directs management in the execution of business objectives, strategies and financial performance. Other than the responsibilities specifically reserved for the Board and its Committees in their respective Charters, the responsibility for the management of day-to-day business activities is delegated to the CEO & Managing Director who is accountable to the Board.

The Board and the CEO & Managing Director are supported by the Senior Leadership Team (Senior Executives) who report to the CEO & Managing Director.

The Constitution, the Board Charter and Board Committee Charters are available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance). The Board regularly reviews the Board Charter and the delegation of Board authority to the CEO & Managing Director.

### 1.2 Board and management responsibilities

Specific responsibilities are formally delegated to management by the Board. A summary of the Board's principal responsibilities and of those matters delegated to management is summarised in the table below.

The Board Charter sets out the principles for how the Board operates and describes the Board's responsibilities and those formally delegated to management.

The Board Charter also sets out the key matters to be considered by each of the regulated operating entities in the Group.

Information in relation to the management of risks is set out in section 4 and at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance).

## Board of Directors

### *Summary of principal responsibilities*

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#### APPROVE:

- strategic direction and related targets and objectives
- annual budgets, dividend policy and dividend payments
- major operating and capital expenditure and credit facilities in excess of the limits delegated to management
- the CEO & Managing Director's level of authority in respect of operating and capital expenditure and credit facilities and authorise the CEO & Managing Director's further delegation of those authorities to management
- appointment/removal of the CEO & Managing Director, Company Secretary and Senior Executives
- Suncorp's incentive structures and the remuneration of the CEO & Managing Director and Senior Executives, including measures of performance and targets
- CEO & Managing Director and executive succession planning.

#### REVIEW/APPROVE:

- management proposals regarding acquisitions and divestments of companies, businesses and functions

- Suncorp Group capital management policies and plans, having regard to the various liquidity and capital adequacy regulatory requirements applying to Suncorp Group financial and regulatory reporting
- the Enterprise Risk Management Framework and risk management strategies.

#### MONITOR:

- Suncorp Group financial performance and Senior Executive performance in implementation and achievement of strategic and business objectives
- processes whereby business risks are identified and approve systems and controls to manage those risks and monitor compliance
- corporate governance practices including the environmental impact and compliance with sustainability policies and practices
- Suncorp's values to maintain a culture that supports the Group's ability to operate consistently within its risk appetite and deliver fair and balanced outcomes for its stakeholders.

## Management

### *Summary of matters the Board has delegated to management*

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- Develop corporate strategies and business plans in consultation with directors and implement the corporate strategies approved by the Board.
- Develop Suncorp's values and operating principles to help ensure appropriate employee behaviours across Suncorp.
- Make recommendations to the Board on significant strategic and business initiatives.
- Develop an annual budget for the Board's consideration and conduct Suncorp Group's business activities within the approved budget limits.
- Make recommendations to the Board or relevant Board committee on appointments to Senior Executive roles.

- Develop and maintain succession plans for senior management roles.
- Set effective and appropriate employee incentive arrangements.
- Lead by example in displaying the right behaviours in all situations.
- Develop and maintain risk management systems and frameworks as approved by the Board or Risk Committee.
- Manage the business in accordance with regulatory and legislative requirements and within Suncorp Group's approved policy and procedures framework.

## 1.3 Board composition, structure and letters of appointment

### Current directors

The names of the current directors, together with details of their qualifications, terms in office and independent status are set out in the table below.

Detailed biographies of directors are published on the [Suncorp Group website](#) and in the 2017–18 Directors' Report and Financial Statements, available at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports).

Suncorp Group Limited  
Board of Directors

Name of Director	Term In Office	Qualifications	Status
Dr Ziggy Switkowski AO	12 years, 11 months	BSc (Hons), PhD, FAICD, FAA, FTSE	Independent
Michael Cameron	6 years, 3 months	FCCA, FCA, FAICD	Non-Independent
Audette Exel AO	6 years, 1 month	BA, LLB (Hons)	Independent
Sally Herman	2 years, 9 months	BA, GAICD	Independent
Simon Machell	1 year, 3 months	BA (Hons), FCA	Independent
Christine McLoughlin	3 years, 6 months	BA, LLB (Hons), FAICD	Independent
Dr Douglas McTaggart	6 years, 3 months	BEcon (Hons), MA, PhD, DUniv, FAICD, SF Fin	Independent
Lindsay Tanner	7 months	BA (Hons), LLB (Hons), MA (Melb)	Independent

The Company's Constitution and Board Charter set out the Board's composition as follows:

- a minimum of five directors and a maximum of 13 directors
- a majority must be independent, non-executive directors.

The Board Charter sets out the quorum for meetings. The composition of the Board is subject to review in a number of ways:

- the Constitution provides that an election of directors must take place each year
- in addition, no director (excluding the CEO & Managing Director), may retain office for more than three years or until the third Annual General Meeting (**AGM**) following the director's appointment, whichever is the longer; at the expiration of three years, a director seeking re-election must seek shareholder approval
- a director's nomination for re-election is not automatic, it is subject to assessment by the Nomination Committee. In a statement accompanying the next AGM Notice of Meeting, the Board confirms to shareholders whether or not it supports a retiring director's re-election
- the Nomination Committee reviews the Board's composition periodically in line with the Board Renewal Policy, either when a vacancy arises, or as part of the Board's ongoing succession planning
- the Board is committed to a continuing process of Board renewal and performance assessment. The annual Board appraisal includes an assessment of future requirements in relation to the Board's composition and its overall performance. This appraisal process is explained in section 1.12.

Suncorp has formal letters of appointment in place with the non-executive directors setting out their appointment terms. The CEO & Managing Director has an employment contract.

As part of the Board renewal in 2017–18, Mr Ewoud Kulk and Mr William Bartlett both retired by rotation at the 2017 AGM on 21 September.

Dr Switkowski, who has been a member of the Board for the past 13 years, and Chairman since October 2011, will retire at the conclusion of the 2018 AGM. The Board has determined that Ms Christine McLoughlin will assume the role of Chairman<sup>1</sup> at the AGM's conclusion.

<sup>1</sup> Ms McLoughlin is standing for re-election at the 2018 AGM.



Mr Lindsay Tanner joined the Board on 1 January 2018 and Ms Sylvia Falzon has been appointed to join the Board effective from 1 September 2018. Both directors are subject to election by shareholders at the 2018 AGM.

#### **1.4 Independence of the Board and the Board Chairman**

Together, the Board members have a broad range of relevant financial and other skills and knowledge, combined with the extensive experience necessary to guide the organisation.

Details of directors' skills and directorships are set out in section 1 of the 2017–18 Directors' Report and Financial Statements and in section 1.6 of this Statement.

All of the non-executive directors satisfy the Board's criteria for independence, which align with the guidance provided in the ASX CGC *Corporate Governance Principles and Recommendations* and other regulatory guidance.

The Board assesses the independence of directors on appointment and on an annual basis. Each director provides an annual attestation of his or her interests and independence.

The Board considers all its current directors to be independent, except Michael Cameron who is the CEO & Managing Director.

The Board Charter stipulates the majority of the Board must be independent, non-executive directors. The Board regularly reviews the independence of each non-executive director and in May 2018 completed an independence assessment (in accordance with the ASX CGC *Corporate Governance Principles and Recommendations*).

A director's interests, position, associations or relationships will be considered relevant when assessing independence, if the individual circumstances materially interfere with (or could reasonably be perceived to materially interfere with) a director's ability to exercise independent judgment across certain or all aspects of their role as a director.

The Board takes a qualitative approach to assessing materiality and independence on a case-by-case basis by reference to each director's circumstances, rather than applying strict quantitative or general materiality thresholds.

Determinations regarding independence do not change any director's obligation to manage a conflict of interest that may arise between carrying out their duties as a director of the Company and their other interests and duties (refer to section 1.5).

The tenure of a non-executive director is also a factor considered by the Suncorp Board in assessing the independence of a director, but it is not determinative. The Board assesses the independence of each director in light of their tenure. Based on its assessment, the Board has determined that each independent non-executive director remains able to bring an independent mind on issues before the Board and to act in the best interests of Suncorp and its shareholders.

The Board Chairman is elected by and from the independent non-executive directors in accordance with the Board Charter. The Board Chairman plays a pivotal governance role, being also the Chairman of the Nomination Committee and an ex-officio member of all Board Committees.

Dr Switkowski has served as Board Chairman since 2011, and has been a non-executive director of the Company since 2010, and a non-executive director of Suncorp-Metway Limited since 2005. The Board has determined that the Chairman has remained independent throughout his tenure.

As described in section 1.3, at the conclusion of the AGM, Ms Christine McLoughlin will assume the role of Chairman. Ms McLoughlin has been an independent non-executive director of the Board since her appointment in February 2015. Ms McLoughlin is a non-executive director of nib holdings limited which has arrangements with Suncorp. These arrangements are not considered by the Board to be material and relate to the distribution of nib health insurance products under Suncorp brands.

Ms Sylvia Falzon, who is to join the Board with effect from 1 September 2018 and seeks election by shareholders at the AGM, is a non-executive director of Perpetual Limited (Perpetual) which has arrangements with Suncorp:

- Perpetual Investments (as equity fund manager) holds Suncorp Group Limited securities that are not a substantial shareholding under the Corporations Act. Ms Falzon has confirmed that as a director of Perpetual she has no involvement in, or influence over, any investment decisions made by Perpetual Investments in relation to trading in any security.
- Suncorp pays fees to Perpetual group companies for trustee services<sup>1</sup>. These trustee arrangements were in place prior to Ms Falzon's appointment as a director of Suncorp. The Board believes this relationship does not affect Ms Falzon's independence. The basis of this opinion is that the selection and management of a trustee services provider is the responsibility of management, and such decisions are made in the ordinary course of business.

Accordingly, the Board has determined that the arrangements with Perpetual are not deemed to be material and that Ms Falzon is independent.

Separate to these arrangements, like Suncorp, Perpetual operates a wealth management business. Suncorp's wealth management business is overseen by an independent board of which Ms Falzon is not a director.

Further information on directors is in the 2017–18 Directors' Report and Financial Statements, available at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports).

## 1.5 Directors' conflicts of interest procedures

Each director is expected to disclose any business or other relationship that he or she has directly, or as a partner, shareholder, director or officer of a company or other entity that has a substantial interest in Suncorp Group or a related entity. The Board considers information about any such interests or relationships, including any related financial or other details, when it assesses the director's independence.

The Corporations Act contains requirements for dealing with directors' conflicts of interest. To ensure the appropriate management of any actual, potential or perceived conflict of interest, the Board has adopted the following procedures:

- Each director has a continuing obligation to keep the Board advised of any interest that has arisen that could potentially conflict with those of the Suncorp Group.
- Where a director has an actual, potential or perceived conflict in a matter being considered by the Board, the director will:
  - declare that conflict of interest
  - not receive the relevant Board papers
  - not be present when the matter is considered at the meeting
  - not participate in any decision on the matter

unless the Board Chairman (or if the relevant director is the Board Chairman, either the Board Risk Committee Chairman or the Board Audit Committee Chairman) determines otherwise. However, in the case of a material personal interest, the level of involvement of the relevant director will be determined by the Board (excluding the relevant director).

Further information is contained in the [Board Charter](#) and the [Code of Conduct](#).

<sup>1</sup> Perpetual Trustee Company Limited is the Trustee of the Suncorp Group's APOLLO Series Trusts, P.T. Limited is the Security Trustee of the APOLLO Trusts, and Perpetual Corporate Trust Limited is the guarantor of the Suncorp Covered Bonds Trust.



## 1.6 Directors' skills and experience

The Board is committed to ensuring that directors collectively have a relevant mix of skills, experience, expertise and diversity. The Board also strives to retain a balance between longer serving directors with established experience and knowledge of Suncorp Group's business and history, and new directors who bring a fresh perspective. The Board members, including some who are also directors of other ASX-listed companies, have a broad and diverse range of experience and skills across a range of business areas. The Board has identified the key skills, experience and qualities required for the effective management of the business, both now and into the future. These attributes, outlined in the following diagram, are reviewed each year and were updated in 2018.



## Board Skills Matrix 2017–18

These skills, attributes and experience have been incorporated into a Board Skills Matrix that is used to provide targeted learning and development initiatives for directors, and when selecting and recruiting new directors to join the Board.

The Board Skills Matrix was updated during 2017–18 to ensure it remains aligned with the organisation's needs and the shift in community and regulatory expectations towards the way boards conduct their role. The figure below demonstrates the number of current directors with a 'developed' level of capability (i.e. scoring an average of at least 3 out of 5 for each skill/area of experience), meaning that the director has a level of proficiency in that area that can be contributed to the Board by drawing upon the director's previous experience.



The Board considers that its current members have an appropriate mix of skills that enable the Board to discharge its responsibilities and deliver the Company's strategy and corporate objectives. The Board also considers that each director demonstrates the following personal attributes:

- an understanding of and commitment to the highest standards of governance and risk management
- competence, diligence, honesty, integrity and sound judgment
- sufficient time available to undertake their responsibilities.

## 1.7 Director induction and education

Directors have a duty to perform their statutory obligations and to act in good faith in a way most likely to promote the success of Suncorp.

Suncorp has a comprehensive director induction program incorporating its financial, strategic, operational and risk management position. New directors meet with the Board Chairman, the CEO & Managing Director, Senior Executives and other senior managers to gain valuable insights into relevant operational matters and matters of corporate strategy.

Ongoing director education is provided through regular management presentations on key functions or activities, topical issues such as climate change and cyber security, and site visits to Suncorp operations. Directors are invited to, and regularly do, meet with employees below executive level to deepen their insights of the Suncorp culture. Examples of how the Suncorp Board observes the Suncorp culture and behaviours include the directors undertaking regular site visits to offices and store locations, floorwalks across Suncorp's various sites and presenting and engaging with employees at all levels of the business.

Directors are also offered access to external education and professional development training at Suncorp's expense.

The external auditor, and industry experts also address the Board from time to time on matters relevant to Suncorp's business or its operating environment. Most of the topics are determined in advance, tailored to Suncorp and form part of the Board's annual meeting schedule.

To ensure directors remain equally informed on all material matters impacting Suncorp's businesses, copies of submissions for Board Committee meetings are provided to all directors, and non-executive directors may attend meetings of any Board Committee regardless of whether they currently are a member of that Committee.

## 1.8 Board renewal and succession planning

Board renewal and succession planning is an important part of the governance process. The Board, with the Board Nomination Committee, regularly reviews and evaluates its succession planning.

Once the Nomination Committee determines a new director is to be appointed, a candidate search is undertaken. This search is based on the Board's specific selection criteria, incorporating the Board Skills Matrix, and is supported by external consultants as required.

Candidate searches include extensive background checks on character, education, employment experience, criminal history and bankruptcy to ensure suitability.

The Nomination Committee also recommends directors being nominated for re-election to the Board. The Nomination Committee Charter is available at [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance).

Statements on the Board Renewal Policy and factors relevant in making its decisions are set out in the Board Charter.

## 1.9 Fit and Proper Policy

In accordance with APRA's Prudential Standard APS 520 *Fit and Proper*, the Company maintains a Fit and Proper Policy. This policy is designed to assist in managing the risks associated with the appointment of individuals to roles that have a significant impact on the sound and prudent management of Suncorp.

Directors are formally assessed against this policy on appointment, and then annually, to confirm that they are of good standing, and possess and have maintained the necessary expertise and skills required to fulfil their roles as directors.

## 1.10 Meetings of the Board

The Board generally holds monthly meetings to consider matters relevant to Suncorp's operations and performance, with additional Board meetings held as and when required throughout the year.

The Board meets at least twice a year with Suncorp Senior Executives to consider matters of strategic importance. Senior Executives are also invited to attend directors' meetings where matters relevant to their respective function are considered. In addition, Senior Executives are invited to present their 'function-in-focus' session to the Board on an annual basis. Immediately following each meeting of directors, the non-executive directors meet without the executive director or any other management representatives present.

The Board held 11 meetings in 2017–18 and two strategic planning sessions. Details of directors' attendance at those meetings are disclosed in section 2 of the 2017–18 Directors' Report and Financial Statements, available at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports).

## 1.11 Directors' access to information and independent advice

Directors have unrestricted access to internal records and to senior management, and receive regular financial and operational reports. Each director has entered into a deed that provides for access to documents, in certain circumstances, following their retirement as a director.

Directors are entitled, with the approval of the Board Chairman, to obtain independent professional advice relating to their role as a director, at the Company's expense.

A copy of any advice received by a director is made available to all other Board members except where the circumstances would make that inappropriate.

## 1.12 Board appraisal

A performance appraisal of the Board and its Committees is conducted annually. An independent consultant is engaged periodically to facilitate the process. The Board Chairman conducts appraisals in the years where an independent consultant is not engaged.

Generally, the same methodology applies to both types of appraisals:

- directors assess the Board's and its Committees' effectiveness in meeting the requirements of their Charters (for example, by interviewing the directors, feedback from Senior Executives or through the completion of questionnaires)
- the contributions of individual directors are assessed
- the Board Chairman may meet further with individual directors
- performance assessments are summarised in a report for the Board and Board Chairman as appropriate
- Senior Executives are asked to provide feedback on the Board's and Committees' performance.

The Board discusses and considers the report and agrees any recommendations as necessary. When the external consultant facilitates, the results may also be benchmarked against other companies.

During 2017–18, a performance appraisal of the Board and its Committees was conducted and a summary of the findings was provided to the Chairman for discussion with the Board.

## 1.13 Minimum shareholding requirement

Directors and Senior Executives are subject to a minimum shareholding requirement. More information on the minimum shareholding requirement is included in the Remuneration Report in the 2017–18 Directors' Report and Financial Statements, available at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports).



## 1.14 Board Committees – composition and responsibilities

The Board has established a Nomination Committee, People and Remuneration Committee, Risk Committee, and an Audit Committee. Each Committee's Charter sets out its role, responsibilities, composition and structure. All Charters are available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance).

Details of the current membership as at 9 August 2018, composition and responsibilities of each Board Committee are set out in the following table. The Board regularly reviews and approves the Committee Charters, chairmanship and composition. The Board Committees play a crucial part in the governance framework.

Suncorp Group Limited Board of Directors			
Nomination Committee	<i>All non-executive directors The Board Chairman is Chairman of the Nomination Committee.</i>	People and Remuneration Committee	<i>Ms C McLoughlin (Chairman) Ms S Herman Mr S Machell Dr D McTaggart Dr Z Switkowski AO (Ex-Officio)</i>
<p>The Nomination Committee is responsible for making recommendations to the Board on:</p> <ul style="list-style-type: none"> <li>the Board composition, renewal and succession planning</li> <li>the appointment and re-appointment of non-executive directors</li> <li>the Board, and individual director and committee performance evaluation processes.</li> </ul>		<p>The People and Remuneration Committee is responsible for making recommendations to the Board on:</p> <ul style="list-style-type: none"> <li>the individual remuneration arrangements of the CEO &amp; Managing Director, Senior Executives and person(s) or category of persons that may be specified by APRA</li> <li>the size of the annual short-term incentives and other incentive pools</li> <li>the remuneration of non-executive directors</li> <li>the remuneration structure of the categories of persons covered by the Company's remuneration policy</li> <li>the review and monitoring of diversity, executive talent programs and people engagement.</li> </ul>	
Audit Committee	<i>Dr D McTaggart (Chairman) Ms S Herman Mr S Machell Dr Z Switkowski AO (Ex-Officio)</i>	Risk Committee	<i>Ms S Herman (Chairman) Ms A Exel AO Ms C McLoughlin Mr L Tanner Dr Z Switkowski AO (Ex-Officio)</i>
<p>The Audit Committee assists the Board in oversight of Suncorp's financial and operational control environment and reporting on its effectiveness. Specific issues addressed throughout the year, in accordance with its Charter, included:</p> <ul style="list-style-type: none"> <li>reviewing statutory reports and returns for lodgement with APRA</li> <li>reviewing half-year and annual financial statements and reports prior to consideration by the Board</li> <li>reviewing and assessing reports from management, the Appointed Actuary, the Reviewing Actuary and the external auditors in relation to matters impacting on the half-year and annual financial statements</li> <li>audit planning, reviewing and approving audit plans as submitted by both internal and external auditors and agreeing areas of audit emphasis and audit approach</li> <li>reviewing the provision of non-audit services by the external auditor to assess whether there is any potential impact on the auditor's independence</li> <li>reviewing internal and external audit reports and where weaknesses in controls or procedures have been identified, assessing whether remedial action taken by management is adequate and appropriate</li> <li>overseeing the Group's taxation governance, compliance and reporting</li> <li>holding discussions with the internal and external auditors in the absence of management on a regular basis.</li> </ul>		<p>The Risk Committee assists the Board with oversight across all categories of risk, through the identification, assessment and management of risk and monitoring adherence to internal risk management policies and procedures. Specific issues addressed and activities undertaken throughout the year, in accordance with its Charter, included:</p> <ul style="list-style-type: none"> <li>reviewing and recommending the Risk Management Strategies and Enterprise Risk Management Framework prior to consideration by the Board</li> <li>reviewing and recommending the Suncorp risk profile and risk appetite</li> <li>reviewing Group and business function risk reports and assessing performance against risk appetite</li> <li>oversight of the business planning and capital management development process</li> <li>reviewing and approving Suncorp's policy framework and policy suite</li> <li>receiving reports from the Customer Advocate function</li> <li>receiving reports on Suncorp's legal and regulatory compliance processes</li> <li>receiving reports concerning the risk implications of poor conduct and risk culture, in order to consider actions required to ensure a sound risk culture and make recommendations to the Board as appropriate.</li> </ul>	

The Committee minutes and a written report from the Chairman of each Committee is submitted to the Board soon after the relevant Committee meeting. The Board appoints other sub-committees from time to time to deal with projects relating to the conduct of Suncorp's various activities.











The number of Board and Committee meetings held during the 2017–18 financial year are disclosed in section 2 of the 2017–18 Directors' Report and Financial Statements available at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports).

## 2. Senior Executives

The Board and the CEO & Managing Director are supported by the Senior Executives (who report to the CEO & Managing Director).

The Senior Executives as at 9 August 2018 are listed below. The biographies of the CEO & Managing Director and the Senior Executives are available at [suncorpgroup.com.au/about/leadership](http://suncorpgroup.com.au/about/leadership).

### Senior Leadership Team

	<b>MICHAEL CAMERON</b> FCPA, FCA, FAICD CEO & Managing Director		<b>DAVID CARTER</b> BCom, GDipAppFin, GDipFinPlan, FCPA, F Fin, GAICD Chief Executive Officer Banking and Wealth		<b>GARY DRANSFIELD</b> MAICD Chief Executive Officer Insurance
	<b>SARAH HARLAND</b> BA (Hons), MBA, GAICD Chief Information Officer		<b>LISA HARRISON</b> BCom, MBA, GAICD Chief Program Excellence Officer		<b>STEVE JOHNSTON</b> BBus (Management), BBus (Public Administration) Chief Financial Officer
	<b>PIP MARLOW</b> MAICD Chief Executive Officer Customer Marketplace		<b>AMANDA REVIS</b> BSc (Hons), GAICD Chief People Experience Officer		<b>PAUL SMEATON</b> BBus (Management) Chief Executive Officer Suncorp New Zealand
	<b>FIONA THOMPSON</b> BEc, LLB Chief Risk Officer				



## 2.1 Company Secretary

Details of the Company Secretaries during the financial year to 30 June 2018 and as at the date of this report are set out below.

Mr Darren Solomon LLB was appointed Company Secretary in 2010. Mr Solomon commenced with Suncorp in 1989 as a senior lawyer in the legal department before moving to the Company Secretariat team in 2006.

Ms Kristy Huxtable FGIA, MAICD, MBA, Grad Dip Corp Gov, Grad Dip HR was appointed Company Secretary on 1 August 2016 and has been with the Company Secretariat team since January 2014. Ms Huxtable has extensive corporate governance experience in financial services.

The Company Secretaries are directly accountable to the Board, through the Board Chairman, for all governance matters that relate to the Board's proper functioning.

## 2.2 Senior Executive induction and education processes

When a Senior Executive is appointed, information and training is provided on Suncorp's key policies, practices and procedures, as well as information relevant to the role they will be performing and the management and business structure within which they will be operating.

Senior Executives are expected to have the qualifications and industry experience necessary to properly perform the duties and responsibilities of their role, and to maintain those qualifications and expertise while they remain in that role. This is also a requirement under APRA's Prudential Standards which apply to all the Group's major operating entities.

Senior Executives and other senior managers who meet the classification criteria are formally assessed under the Fit and Proper Policy on appointment and then annually, to confirm that they are of good standing, and possess and have maintained the necessary expertise and skills required to fulfil their role.

Suncorp supports its Senior Executives and other employees in maintaining and enhancing their industry and business knowledge and expertise, and associated professional qualifications. Refer also to section 6.1.

## 2.3 Evaluation of Senior Executives

The CEO & Managing Director, Senior Executives, and other senior managers are assessed against a scorecard of performance measures in relation to Profit & Financials, Customer, Risk and People. These measures align with the Suncorp business plan, which is approved by the Board.

The performance management framework also requires leaders to assess the way results are obtained in addition to assessing the actual scorecard result. The overall performance of each Senior Executive is assessed against a set of desired behaviours that positively supports Suncorp's culture. The performance assessment at year end is also undertaken in the context of industry and market conditions.

The CEO & Managing Director assesses each Senior Executive and those assessments are submitted to the People and Remuneration Committee for review prior to submission to the Board as part of the annual performance and reward review process.

The Senior Executive performance assessments for the financial year ended 30 June 2018 were conducted in accordance with the arrangements described above.

The CEO & Managing Director's performance is subject to Board assessment at the end of the financial year. The Board Chairman communicates the review outcomes, as agreed by the Board, to the CEO & Managing Director.

### 3. Remuneration

#### 3.1 Remuneration framework

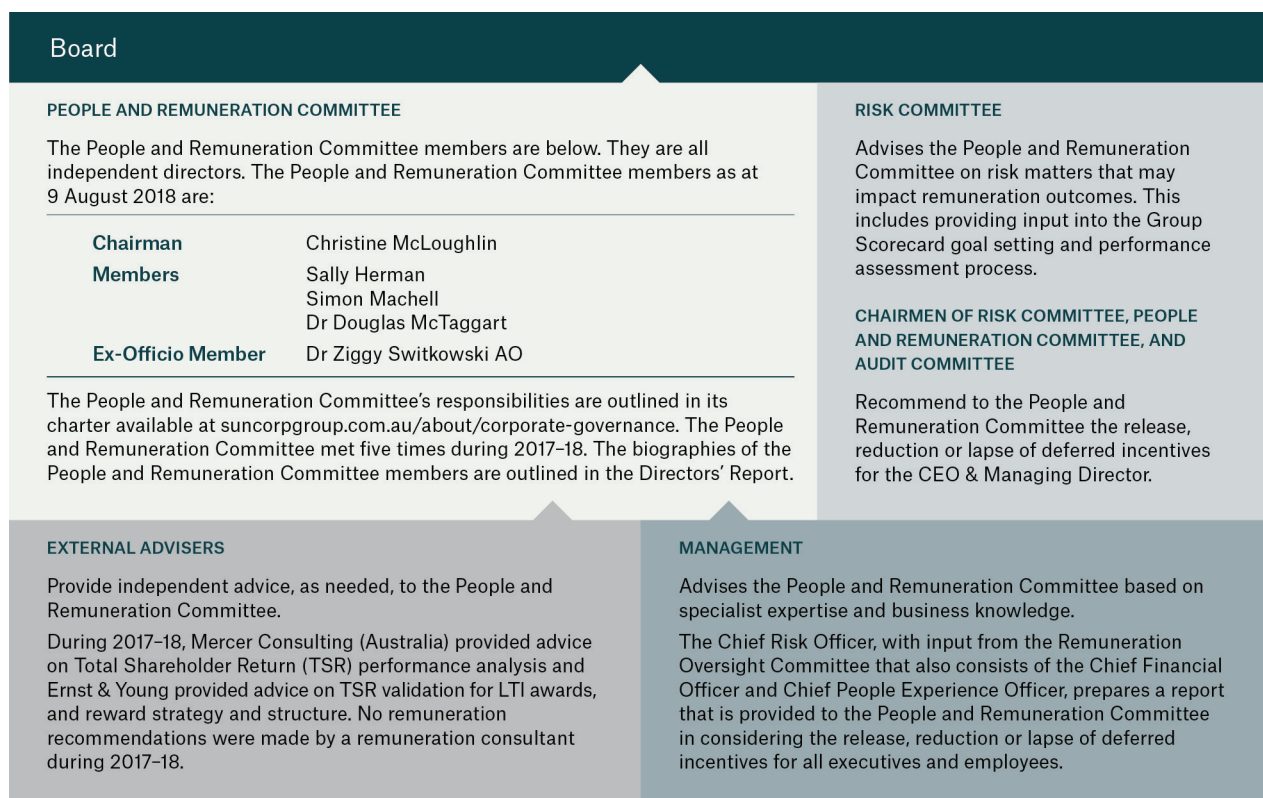
Suncorp's remuneration framework provides competitive rewards that motivate executives to deliver superior and sustainable returns to shareholders and that support alignment with the Group's purpose, vision and strategy. Suncorp is committed to a fair, transparent and responsible remuneration framework as expected by its shareholders, customers, employees and wider community. In structuring remuneration, the People and Remuneration Committee and the Board have given additional attention to ensuring that the Company's remuneration structure reinforces executive accountability, a constructive company culture and promotes an appropriate risk management approach.

The Remuneration Report explains the remuneration framework in place for Suncorp Key Management Personnel, with full details of their benefits and interests. It discloses the processes for evaluating the performance of the CEO & Managing Director and Senior Executives, including performance outcomes. It also provides detail on the short-term and long-term incentive (**LTI**) structures, deferral and malus provisions. Malus refers to the potential reduction of unvested deferred incentives (down to zero) to protect the Group's financial soundness and to provide the ability to respond to unforeseen significant issues.

The Remuneration Report, which forms part of the 2017–18 Directors' Report and Financial Statements, will be put before shareholders for adoption at the 2018 AGM and is available at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports).

#### 3.2 Remuneration governance

The People and Remuneration Committee recommends the Group's remuneration framework and practices to the Board for approval. An overview of the remuneration governance framework is set out in the diagram below.



The People and Remuneration Committee also consults institutional investors and proxy advisors on the appropriateness of Suncorp's remuneration arrangements. During the year the Committee Chairman and the Chief People Experience Officer met with a number of institutional investors and proxy advisors to seek feedback on the remuneration framework and the Remuneration Report.

During the reporting period Ms Christine McLoughlin held the role of People and Remuneration Committee Chairman.

Further to Ms McLoughlin's upcoming appointment as Board Chairman, succession planning has been considered by the Board and accordingly Mr Simon Machell has been appointed as Chairman of the People and Remuneration Committee following the close of the 2018 AGM.

## **4. Risk management at Suncorp**

The Board and management recognise that a strong risk culture, good governance and effective risk management are essential to achieving Suncorp's strategy and maintaining our social licence to operate.

A transparent corporate governance structure is in place for the Group with supporting processes to meet the needs and expectations of shareholders and stakeholders.

Effective risk management at Suncorp is driven by:

- its Enterprise Risk Management Framework (**ERMF**) which ensures the business takes accountability for risk management and owns its risk decisions
- an independent risk management function that oversees and challenges the business in its risk-taking
- the monitoring of Suncorp's risk maturity and targeted actions to continually increase risk management capability, including risk management outcomes in the assessment of performance
- a clearly articulated 'risk appetite' that is aligned to the Suncorp strategy and sets out the nature and degree of risk the Board is willing to accept in pursuit of Suncorp's business objectives.

The Risk function plays an important role in challenging and overseeing the risks taken across Suncorp.

It is recognised that risk culture is a core component of Suncorp's overall culture. Suncorp's culture is further explained in section 5.

Further information about Suncorp's risk management approach is available in the 2017–18 Directors' Report and Financial Statements, available at [suncorpgroup.com.au/investors/reports](https://suncorpgroup.com.au/investors/reports) and in the Risk Management section available at [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance).

### **4.1 Suncorp Enterprise Risk Management Framework**

Suncorp's ERMF lays the foundation for the approach and will continue to evolve with Suncorp's strategy and operating environment. The framework:

- links risk appetite to strategic business and capital plans
- supports a risk-aware culture
- sets out accountabilities and governance arrangements for the management of risk within the Three Lines of Defence model
- establishes processes to identify and manage risk on an ongoing basis
- enhances business risk-based decision-making.

Internal Audit undertakes a review on an annual basis of the Group's compliance with, and the effectiveness of, the ERMF. The results of the review are provided to the Audit Committee. The ERMF is subject to an independent comprehensive review every three years which covers the appropriateness, effectiveness and adequacy of the ERMF. This review is reported to the Risk Committee and was last completed during the 2017–18 financial year.

#### 4.2 Risk Committee – comprises independent Board members

The Risk Committee is responsible for providing the Board with oversight to all categories of risk across Suncorp and receives written reports from management on the status of risk appetite, Suncorp's current and emerging risk profile and the effectiveness of the risk framework in operation.

The Risk Committee met five times during 2017–18 and:

- consists of five independent non-executive directors including the Board Chairman, Dr Ziggy Switkowski AO, as an ex-officio member
- is chaired by Ms Sally Herman, an independent non-executive director with strong expertise in running retail banking and insurance products, setting strategy for financial services businesses and working with regulators and customers
- has Ms Christine McLoughlin, Ms Audette Exel AO and Mr Lindsay Tanner among its members, all of whom have comprehensive experience in the areas of identification, assessment and management of risk.

The Risk Committee also takes primary responsibility for ensuring the Board-approved ERMF constitutes an appropriate and effective framework for risk management. The Committee reviews the ERMF annually and endorses it for Board approval. The Risk Committee also ensures that the supporting policies, internal controls and processes are sound and operational, and endorses or approves significant changes to the ERMF, risk appetite, and risk management policies.

A summary of the Risk Committee's key responsibilities is set out in section 1.14. The Risk Committee Charter is available at [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance).

#### 4.3 Information technology governance

Suncorp relies on its information platforms to:

- support its business activities
- provide reliable, secure and innovative technology solutions that meet regulatory standards, adapt to changing business requirements and provide efficient connectivity to our customers.

The Technology, Data and Labs function (**TDL**) supports the organisation through the development and service management of core systems, digital enablement, provision of data and insights, infrastructure and security services.

TDL manages the underlying technology platforms and ensures critical infrastructure, applications and services are available, functional and performing. System resilience, cyber security and risk management are key components of this as part of delivering the strategy and meeting customer needs.

Data is a critical enabler of the technology strategy and delivering data capabilities encompasses three key elements:

- data infrastructure (governance, security and quality)
- data enablement (e.g. AI, data science) and
- the Group's processes governing its ability to contact customers.

Suncorp is sharpening its focus on data governance to reduce data risks. Fit-for-purpose data is a key ingredient in generating valid insights about our customers' needs and business operations. Honouring consent and privacy are key obligations in the use of customer data. Suncorp continues to invest in customer data management capabilities and data governance.

TDL is committed to building the marketplace strategy across stores, contact centres and digital channels. Suncorp's digital capabilities enable a modernised business with reduced operational costs, while supporting targeted growth and more personalised engagement with customers.

#### **4.4 Cyber security**

Suncorp is continually growing its capability and sophistication to prevent, detect and respond to the emerging cyber security threat landscape. This includes specific focus on raising cyber awareness and protecting customer data. Suncorp proactively manages and works closely with its key partners and providers to ensure we understand both the value and risks they present and to maintain a mutual trust and assurance around cyber security.

Suncorp delivers a proactive and comprehensive program of assessment around cyber security, data and privacy risk with all of our partners and providers in line with the risks they potentially pose to our customers and to our business. Suncorp also runs an evolving program of cyber security investment managed by a dedicated Security function within its Chief Information Office.

Suncorp takes seriously its duty to protect customers from security threats, privacy concerns and data loss, financial and identity fraud, and prevent financial crime. Suncorp manages a wide variety of dedicated and automated security features and real-time fraud monitoring to detect threats, and works closely with the banking industry, the Australian High Tech Crime Centre and the Australian Federal Police.

Suncorp's Fraud Detection team ensures we respond immediately to suspicious account activity and provides early detection of potential cases of fraud. Suncorp is a member of the Australian Computer Emergency Response Team (CERT Australia), which notifies companies of online criminal activity globally. Suncorp has an established incident management plan which includes disaster recovery and business continuity. A dedicated Critical Incident Management team responds to, and mitigates against, critical IT incidents. The Suncorp Incident Response Team coordinates communications and response activities.

Suncorp's Internal Audit team regularly conducts information and cyber security audits across both operational, policy and governance aspects to ensure cyber security risk is managed. Management monitors and has visibility of cyber risk and ensures alignment with risk appetite and the broader ERMF. The Suncorp Board has responsibility for overseeing cyber security, and cyber risks are reported to the Board at least quarterly through the Board's Risk Committee.

#### **4.5 Subsidiary entity governance**

Suncorp is the ultimate holding company for a number of entities, many of which hold licences issued by regulatory authorities. The corporate governance responsibilities at the subsidiary entity level support and complement the governance activities that have been mentioned in this Statement.

### **5. Organisational culture and governance**

Suncorp's culture encourages employees to show that they care for customers, communities and each other, and to have the courage to 'do the right thing'. A behavioural framework called Our Compass describes the behaviours that the Board believes form a foundation for a strong culture and a successful business. Consistent demonstration of these behaviours can influence overall individual performance outcomes.



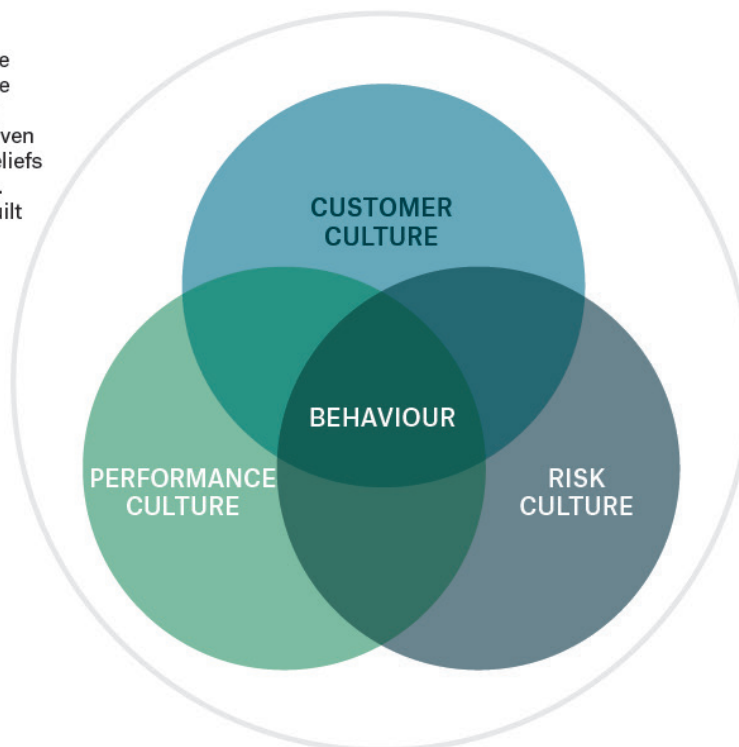
## Our Compass



Suncorp's culture strives to align employee behaviour around three dimensions: Customer Culture, Risk Culture and Performance Culture. Behaviours that take into account customer, risk and performance considerations will optimise the outcomes for all stakeholders.

### Culture

Suncorp's culture is observed in the behaviour of our people and is driven by our shared beliefs and experiences. Our culture is built on three core elements:



#### Customer culture:

putting customers at the heart of every decision. Our customer culture is critical at all stages of the customer lifecycle, including claims management.

#### Risk culture:

identifying, understanding, and managing Suncorp's current and future risks within our risk appetite.

#### Performance culture:

helping our people understand the behaviours and outcomes that are valued and rewarded at Suncorp.

Building and maintaining a customer-centric workforce – that aspires to deliver excellent customer and business value through innovation – is essential to the successful implementation of the Group's new customer-aligned operating model and delivery of the refreshed strategy.



The Board and Senior Executives recognise the importance of developing and maintaining a constructive culture by modelling appropriate behaviours, clearly communicating accountabilities, and supporting governance and corporate responsibility frameworks. Monitoring the health of Suncorp's culture and taking action to reset when necessary is fundamental. A range of feedback mechanisms on Suncorp's culture is used, including:

- employee surveys and focus groups
- regular culture check-ins with the Board supported by the analysis of key indicators of employee behaviours and attitudes
- culture assessments conducted during internal audit reviews providing insight beyond the identification of control failures.

Suncorp continues to strengthen its approach to remuneration frameworks, accountability structures, and risk management practices to ensure employee behaviours reflect the culture that aligns customer, risk and performance considerations.

To ensure remuneration frameworks encourage this alignment, incentive plans that are built around sales targets will be eliminated for all front-line employees in Australia from 1 January 2019.

## 5.1 Code of Conduct and related policies

In conjunction with Our Compass behaviours, Suncorp's Code of Conduct outlines the basic standards of corporate behaviour expected of the Board, senior managers and all leaders and employees. The Code of Conduct helps to ensure that everyone does the right thing by Suncorp, customers, suppliers, partners, intermediaries, shareholders and each other.

Suncorp's Code of Conduct, along with Our Compass, endeavour to promote behaviour that ensures that the Group's people feel valued, respected and supported, that business activities are conducted honestly and with integrity, and that legal and regulatory obligations and industry codes of practice are complied with.

Suncorp's strategy of elevating the customer requires alignment across the total workforce – including strategic partners. This expectation extends to joint venture partners and industry groups that represent Suncorp customers and have an interest in the quality and development of Suncorp products and services.

Suncorp's main business activities are also subject to industry codes of practice such as the [General Insurance Code of Practice](#), [Life Insurance Code of Practice](#) and the [Code of Banking Practice](#).

A number of additional internal Suncorp policies are in place to reinforce adherence to the Code of Conduct and industry codes of practice. The key related policies are the:

- Conflicts of Interest Policy
- Whistleblower Policy
- Securities Trading Policy.

Suncorp monitors compliance with its Code of Conduct and its various other policies using an internal due diligence system. The Code of Conduct is available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance).

## 5.2 Concern reporting and whistleblower protection

Suncorp fosters a culture that promotes and supports the raising of reportable conduct. Easily accessible and flexible procedures are in place for enabling reportable conduct to be raised:

- internally by an employee to their leader or through their leader's reporting lines
- directly to the Whistleblower Protection Officer

- via the Suncorp Whistleblower Service (administered externally)
- directly to the Customer Advocate's Office (for non-whistleblower disclosures); or
- directly to the relevant regulator or, in the case of reportable conduct in New Zealand, to the appropriate authority.

Under the Suncorp Whistleblower Policy, employees (and former employees), responsible persons, directors, contractors, and service providers (such as auditors, consultants and suppliers) are encouraged to raise any concerns about activities or behaviour that may be unlawful or unethical. Concerns may include suspected breaches of Suncorp's Code of Conduct, Suncorp policies or regulatory requirements.

The Suncorp Whistleblower Policy outlines the reporting channels, including the reporting system and Whistleblower Service, which enable the raising of concerns on an anonymous basis.

A summary of Suncorp's Whistleblower Policy is available at [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance).

### 5.3 Dealings in Company securities

Suncorp's Securities Trading Policy prohibits directors and all employees from trading in Suncorp securities at any time while in possession of price-sensitive information. As part of this Board-approved policy, directors must not enter a transaction that is designed to limit the economic risk of a holding in unvested Suncorp securities (i.e. a hedging transaction).

In addition, directors and prescribed persons are prohibited from trading in Suncorp securities at certain times surrounding the release of the Company's half-year and annual financial results to the ASX, and the date of the AGM.

Approval to trade in Suncorp securities is coordinated by the Company Secretary, who is also responsible for reporting all transactions by directors and prescribed persons to the Board in a timely manner.

The Suncorp Securities Trading Policy is published at [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance).

## 6. Diversity, inclusion and flexibility

Suncorp believes its people will be their best when the workforce is as diverse, talented and passionate as the communities in which they live and operate. This creates greater innovation, a deeper understanding of customers' needs and ultimately improved business performance. It also means employees can be themselves at work, feeling valued and respected for their perspectives and contributions.

Suncorp's policy on diversity and inclusion is contained within its Equal Employment Opportunity and Diversity Policy, a summary of which is available at [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance).

### 6.1 Leadership, governance and strategy

Diversity, inclusion and flexibility at Suncorp have the highest level of commitment and support. The Suncorp Diversity and Inclusion Plan is approved annually by the Board, the Senior Leadership Team and the Diversity Council.

The CEO & Managing Director chairs the Diversity Council which has the following key objectives:

- oversee implementation of the Diversity and Inclusion Plan and make recommendations to the Senior Leadership Team
- track progress against objectives and initiatives
- promote diversity and inclusion.

The Diversity Council meets quarterly and the Senior Leadership Team reviews and discusses progress against key diversity measures monthly.

All of the Group's people are encouraged to build a more diverse, inclusive and flexible workforce. Leaders at Suncorp are expected to take practical steps to increase the diversity of the workforce, the inclusivity of the workplace and the application of flexible working.

Suncorp offers training on diversity and inclusion, including but not limited to an annual compliance module for all employees.

## 6.2 Gender equality

The commitment to gender equality is reflected in Suncorp's progress towards its gender equality goals. Suncorp has surpassed its target of 43% of senior leader positions held by women by 30 June 2018 (with 44.4% of these roles held by women at 30 June 2018) as well as gender balance across total leadership roles as at 30 June 2018. The Suncorp Board will later this year reach a 50/50 gender balance among its non-executive directors, when a planned change to the Board with the appointment of Ms Sylvia Falzon takes effect on 1 September 2018.

As at 30 June 2018, the proportion of women the Suncorp Group employed was:

Group	FY18 Actual % of Women	Target
Directors	37.5%	40% by FY20
Senior Leaders <sup>1</sup>	44.4%	45% by FY20
All Leaders <sup>2</sup>	50.5%	-
Total workforce	58.2%	-

<sup>1</sup> The CEO & Managing Director and employees up to 4 organisational levels below the CEO & Managing Director

<sup>2</sup> All employees with people leadership responsibilities as well as senior specialists

Suncorp has a number of initiatives to support gender equality including:

- mandating at least one qualified male and one qualified female candidate on shortlists for senior leader role vacancies
- monitoring the diversity of new hires, promotions and development
- reinforcing our commitment to gender pay equity, by undertaking gender pay equity reviews twice per year
- ensuring gender-balanced participation in leadership development programs
- career resiliency leadership programs focused on building Suncorp's pipeline of talented female leaders
- offering a 'buddy program' which supports people transitioning to and from the workplace before, during and after parental leave
- providing domestic and family violence guidelines to support employees who may be impacted by domestic and family violence; this will be strengthened in 2018–19 with the introduction of paid domestic and family violence leave
- providing and encouraging flexible working practices.

Suncorp has complied with its [2018 reporting obligations](#) under the *Workplace Gender Equality Act 2012* (Cth) and in February 2018 was recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for the fifth consecutive year.

### 6.3 Flexibility

Flexible work offerings are a crucial contributor to an inclusive culture and Suncorp is proud of its leading position in this area. Suncorp offers an extensive range of flexible working provisions and continues to look for opportunities to help its people to better manage their lifestyle options, including the continued growth of 'work at home' working arrangements; 86% of Suncorp people take advantage of flexible working options.

### 6.4 Mature-age employees

Suncorp values the expertise of its mature-age employees (defined as being employees aged 55 years and over) who have significant industry and Company insights, wisdom, and specialist knowledge to share with others. The Group is focused on attracting, retaining and engaging its mature-age employees who, as at 30 June 2018, made up 11.1% of Suncorp's population.

'Envisage' is a program designed to support Suncorp's people aged 50 years and over to make positive choices about planning the next phase of their lives and careers. Participants are encouraged to take a holistic view in planning for the future by focusing on career, identity, wellbeing, finances and relationships.

## 7. Market disclosure and communications with securityholders and customers

Suncorp aims to keep the market, analysts, investors and shareholders fully informed of its financial performance and strategy.

### 7.1 Continuous disclosure

The Company has a Disclosure Policy and associated procedures which:

- regulate the communication of market-sensitive information
- outline the processes for ensuring material information is not disclosed on a selective basis, and
- set out the Group's processes to ensure compliance with its continuous disclosure obligations.

The Disclosure Policy applies to all Suncorp directors, officers, employees, contractors, advisers and consultants, and is available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance).

The Corporate Disclosure Officer is responsible for ensuring compliance with ASX continuous disclosure requirements, and for coordinating disclosure of information to the ASX, analysts, investors, shareholders, the media and the public. The Disclosure Committee is comprised of the CEO & Managing Director, the Chief Financial Officer (**CFO**), the General Counsel, the Executive General Manager Investor Relations and the Executive General Manager Group Corporate Affairs who assists the Corporate Disclosure Officer in making disclosure-related decisions.

### 7.2 Media relations policy

The Suncorp Group's Media and Social Media Policy sets out the minimum requirements that apply to employees when providing verbal or written information to persons or organisations outside of Suncorp through media and social media channels. It also informs employees of their responsibilities when using social media.

The Group's media and social media channels are used to promote Suncorp, its brands, products, services and interests in a balanced and positive way, while protecting the organisation's reputation. Social media provides additional channels for the Company to communicate and engage with customers and the community in real time on issues that are important and relevant to them.

Employees must not comment to the media or provide written information to persons or organisations outside of Suncorp through the media on behalf of Suncorp unless they are expressly authorised to comment by Corporate Affairs.

### **7.3 Maintaining relationships with key stakeholders**

Suncorp Group's Investor Relations team coordinates an active investor relations program to maintain dialogue with institutional investors, retail investors and sell-side analysts through meetings, presentations, and other ad hoc events. The program includes domestic and international investor roadshows, conferences and briefings. Any material information is released to the ASX prior to briefings with shareholders or analysts, and where possible a webcast and transcripts are made available through the website.

### **7.4 Online and electronic communication with securityholders is encouraged**

Suncorp's latest ASX announcements are automatically published on the Suncorp Group website, enabling access to the broader investment community. Interested parties can register to receive news updates.

Suncorp seeks to continually improve its online and electronic communications and the functionality of the website, and encourages securityholders to elect to receive shareholder reports and other communications electronically.

Shareholders are encouraged to, and do, regularly communicate electronically with Suncorp's share registry, Link Market Services, on all shareholder-related matters.

### **7.5 Suncorp 2018 Annual General Meeting (AGM)**

The Suncorp AGM will be held at 2:30pm on Thursday 20 September 2018 at the Sofitel Brisbane Central, 249 Turbot Street, Brisbane. A Notice of AGM is sent to shareholders at least 28 days in advance of the meeting – this material includes explanatory notes that clearly explain the nature of the AGM business and the resolutions to be put to shareholders.

The AGM begins with a business presentation, followed by a question and answer session led by the Board Chairman. Shareholders are encouraged to attend the AGM or submit questions to the Board prior to the meeting. Shareholders who are unable to attend are encouraged to vote directly (online) in advance of the meeting or appoint a proxy to attend and vote on their behalf. The AGM voting result is lodged with the ASX as soon as practicable after the AGM and published on the Suncorp Group website. The AGM is webcast live on the website for interested parties who are unable to attend.

For anyone unable to attend this year's AGM, Suncorp will also be hosting a webcast for shareholders on 18 September 2018 to give an update on the 2017–18 full year result. There will also be a facility to ask questions online during the webcast. Further details of the webcast will be provided in the 2018 Notice of AGM to be released in late August 2018.

### **7.6 Suncorp Customer Advocate Office**

Suncorp established its Customer Advocate Office in 2017 to champion the voice of the customer across the organisation.

During 2017–18, the Customer Advocate Office reviewed several complex and sensitive customer complaints focusing on improved outcomes and resolution for Suncorp customers. As an industry first, Suncorp's Customer Advocate role extends beyond banking to include the insurance business. The EGM Customer Advocate presents to the Board's Risk Committee on the Office's activities.

More details are outlined in the 2017–18 Suncorp Annual Review, available at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports).

## 8. Financial and corporate reporting

### 8.1 Approach to financial reporting

Suncorp's approach to financial reporting is based on three core principles:

- that its financial reports present a true and fair view of Suncorp's and its consolidated entities' financial position and of their performance
- that its accounting methods comply with the relevant accounting standards and policies, and
- that its external auditor is independent and serves shareholders' interests.

The Board, through the Audit Committee, monitors Australian as well as international developments relevant to these principles, and reviews Suncorp's practices accordingly. The Board delegates responsibility for risk management reporting between the Audit Committee and the Risk Committee. Similarly, the Board delegates responsibility for the preparation of remuneration reports (and disclosures) to the People and Remuneration Committee.

### 8.2 Audit Committee

The Audit Committee is responsible for assisting the Board to fulfil its statutory and fiduciary responsibilities with respect to overseeing Suncorp's financial and operational control environment. The Audit Committee also monitors internal control policies and procedures designed to safeguard Suncorp's assets and maintain the integrity of financial and corporate reporting.

The Audit Committee met five times during 2017–18 and:

- consists of four independent, non-executive directors including the Board Chairman, Dr Ziggy Switkowski AO, as an ex-officio member
- has Ms Sally Herman and Mr Simon Machell among its members, both of whom have an extensive understanding of audit and finance
- is chaired by Dr Douglas McTaggart, an independent non-executive director with extensive experience in business and finance.

The CEO & Managing Director, CFO, Chief Risk Officer (**CRO**) and the internal and external auditor are invited to meetings at the Audit Committee Chairman's discretion. The Audit Committee also holds discussions with the auditors in the absence of management on a regular basis.

A summary of the key responsibilities of the Audit Committee is set out in section 1.14. The Audit Committee Charter is available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance).

### 8.3 Internal Audit function

The Audit Committee has adopted an Internal Audit Charter. The objectives of Internal Audit include:

- assessing whether risks have been adequately identified and assessed
- assessing whether internal controls (including management oversight processes) are properly designed, and are consistently and effectively operating to mitigate those risks
- conducting investigations on behalf of the Audit Committee, senior management and regulators as required.

Members of the Internal Audit department have unrestricted access to all Suncorp activities, records, property and personnel. The Executive General Manager Internal Audit has a direct functional reporting line to the Audit Committee Chairman and has unrestricted access to the Audit Committee.

The internal audit function is independent of the external auditor.



## 8.4 Integrity of financial and corporate reporting

The Board receives monthly reports from management on the financial performance of each function including details of key financial and business results reported against budget, with regular updates on yearly forecasts.

The Audit Committee has reviewed the integrity of the Company's financial statements for the financial year ended 30 June 2018 and confirmed that they comply with accounting standards and present a true and fair view of the Company's financial condition and operational results.

## 8.5 CEO & Managing Director, CFO and CRO provide written assurance

The Board receives regular reports from management about Suncorp's financial condition and operational results, as well as that of its controlled entities.

When the Board considers the Suncorp statutory financial statements and reports in February and August each year, written certifications regarding the integrity of those financial statements and the risk management and internal compliance and control systems are provided by the CEO & Managing Director, the CFO and the CRO.

For the 2017–18 financial year the CEO & Managing Director, CFO and CRO have provided:

- a written declaration regarding the integrity of the financial statements of the Suncorp Group
- assurance that Suncorp Group's risk management and internal compliance and control systems are operating effectively in all material respects.

These certifications meet the requirements of section 295A of the Corporations Act. The certifications the CEO & Managing Director, CFO and CRO provide are based on responses management provide to a management certification questionnaire, which is designed to provide an assurance to directors on matters that may impact the financial statements of Suncorp companies.

## 8.6 External Auditor – KPMG

The role of the external auditor is to provide an independent opinion that Suncorp's financial reports are true and fair, and comply with applicable regulations.

For the 2017–18 financial year Suncorp's external auditor is KPMG. KPMG has a partner rotation policy that requires the signing and engagement partner to change every five years in accordance with the requirements of the Corporations Act. The Board has endorsed the rotation policy.

KPMG provides a written report, to each Audit Committee meeting, on audit and non-audit services provided to Suncorp Group and the associated fees for those services. These fees are disclosed each year in the Directors' Report and Financial Statements.

KPMG also confirms its independence as auditor has been maintained in relation to the Suncorp Group, in accordance with policies, professional rules and statutory requirements.

KPMG attends the AGM to answer questions from shareholders regarding the conduct of its audit, the audit report and financial statements, and its independence.

During the year, the Suncorp Board confirmed KPMG as its external auditor following the completion of a formal tender process. The process was undertaken in keeping with Suncorp's practice of reviewing its external services providers, which it considers good corporate governance. Suncorp Group undertook a thorough tender process and received proposals on the external audit for Suncorp Group Limited, and its controlled entities, for both its Australian and New Zealand operations.

## 8.7 Suncorp's Corporate Responsibility and reporting

Suncorp is committed to improving business practices to optimise economic, social and environmental outcomes, as it strives to earn trust and maintain its social licence to operate.

Suncorp's Corporate Responsibility commitments contribute to its overarching purpose to create a better today for all stakeholders.

The most material environmental, social, and governance topics are reflected through four key principles which the Board has endorsed: Trust and Transparency, Sustainable Growth, Responsible Financial Services and Resilient People and Communities. The way these principles are being integrated into Suncorp's business policies, planning and activity is outlined in the 2017–18 Annual Review.

Suncorp conducts regular materiality assessments to help identify and prioritise the environmental, social and governance topics that are most significant for the business, and evaluates the importance of these topics to stakeholders and their potential impact on the sustainability of the business. This process helps make more informed and balanced decisions that reflect the needs and expectations of the business, stakeholders and the community, both now and in the future.

Details of how Suncorp responds to these topics, including performance highlights, future activity and commitments, are outlined in the 2017–18 Suncorp Annual Review, available at [suncorpgroup.com.au/investors/reports](https://suncorpgroup.com.au/investors/reports).

## APPENDIX 4G

### Key to disclosures: ASX Corporate Governance Council Principles and Recommendations

Name of entity

**Suncorp Group Limited**

ABN

**66 145 290 124**

Financial year ended

**30 June 2018**

Our Corporate Governance Statement for the above period above can be found at:

☒ [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

The Corporate Governance Statement is accurate and up to date as at 9 August 2018 and has been approved by the Board. The annexure includes a key to where our corporate governance disclosures can be located.

**Date: 9 August 2018**

Name of Company Secretary  
authorising lodgement:



**KRISTY HUXTABLE**

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>	
1.1 A listed entity should disclose:	... the fact that we follow this recommendation:
a. the respective roles and responsibilities of its board and management; and	<input checked="" type="checkbox"/> in our Corporate Governance Statement (sections 1.1 and 1.2)
b. those matters expressly reserved to the board and those delegated to management.	... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):
	<input checked="" type="checkbox"/> in our Corporate Governance Statement (sections 1.1 and 1.2)
1.2 A listed entity should:	... the fact that we follow this recommendation:
a. undertake appropriate checks before appointing a person, or putting forward to securityholders a candidate for election, as a director; and	<input checked="" type="checkbox"/> in our Corporate Governance Statement (sections 1.3 and 1.8)
b. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/> in our Notice of AGM at <a href="http://suncorpgroup.com.au/investors/agm">suncorpgroup.com.au/investors/agm</a> (available in late August 2018)
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation:
	<input checked="" type="checkbox"/> in our Corporate Governance Statement (section 1.3)
	<input checked="" type="checkbox"/> in section 4 of the Remuneration Report contained within the 2017–18 Directors' Report and Financial Statements at <a href="http://suncorpgroup.com.au/investors/reports">suncorpgroup.com.au/investors/reports</a>
1.4 The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation:
	<input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2.1)
	<input checked="" type="checkbox"/> in our Suncorp Group <a href="#">Board Charter</a>

## Corporate Governance Council recommendation

**We have followed the recommendation in full for the whole of the period above. We have disclosed ...**

### PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

- 1.5 A listed entity should:
- a. have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
  - b. disclose that policy or a summary of it; and
  - c. disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:
    - 1. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
    - 2. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.
- 1.6 A listed entity should:
- a. have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
  - b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.
- 1.7 A listed entity should:
- a. have and disclose a process for periodically evaluating the performance of its senior executives; and
  - b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.
- ... the fact that we have a diversity policy that complies with paragraph (a):
- ☒ in our Corporate Governance Statement (sections 6, 6.1 and 6.2)
- ... and a copy of our Equal Employment Opportunity & Diversity Policy or a summary of it:
- ☒ at [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance)
- ... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:
- ☒ in our Corporate Governance Statement (Introduction, sections 2 and 6.2)
- ... and the information referred to in paragraphs (c)(1) or (2):
- ☒ in our Corporate Governance Statement (sections 1.3, 2 and 6.2)
- ... the evaluation process referred to in paragraph (a):
- ☒ in our Corporate Governance Statement (sections 1.3 and 1.12)
- ... and the information referred to in paragraph (b):
- ☒ in our Corporate Governance Statement (section 1.12)
- ... the evaluation process referred to in paragraph (a):
- ☒ in our Corporate Governance Statement (section 2.3)
  - ☒ in section 1.1 and 2.3 of the Remuneration Report which is contained in the 2017–18 Directors' Report and Financial Statements at [suncorpgroup.com.au/investors/reports](https://suncorpgroup.com.au/investors/reports)
- ... and the information referred to in paragraph (b):
- ☒ in our Corporate Governance Statement (section 2.3)

## Corporate Governance Council recommendation

**We have followed the recommendation in full for the whole of the period above. We have disclosed ...**

### PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

- 2.1 The board of a listed entity should:
- a. have a nomination committee which:
    - 1. has at least three members, a majority of whom are independent directors; and
    - 2. is chaired by an independent director, and disclose:
    - 3. the charter of the committee;
    - 4. the members of the committee; and
    - 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
  - b. if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.
- 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership
- 2.3 A listed entity should disclose:
- a. the names of the directors considered by the board to be independent directors;
  - b. if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
  - c. the length of service of each director.
- 2.4 A majority of the board of a listed entity should be independent directors.
- ... the fact that we have a Nomination Committee that complies with paragraphs (1) and (2):
- ☒ in our Corporate Governance Statement (sections 1.3, 1.4 and 1.14)
- ... and a copy of the charter of the committee:
- ☒ at [suncorpgroup.com.au/about/governance](http://suncorpgroup.com.au/about/governance)
- ... and the information referred to in paragraphs (4) and (5):
- ☒ in our Corporate Governance Statement (section 1.14)
  - ☒ in section 2 of the Directors' Report, which is contained in the 2017–18 Directors' Report and Financial Statements  
[suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports)
- ... our Board Skills Matrix:
- ☒ in our Corporate Governance Statement (section 1.6)
- ... the names of the directors considered by the board to be independent directors:
- ☒ in our Corporate Governance Statement (sections 1.3 and 1.4)
- ... and, where applicable, the information referred to in paragraph (b):
- ☒ in our Corporate Governance Statement (section 1.4)
- ... and the length of service of each director:
- ☒ the term of office is disclosed in our Corporate Governance Statement (section 1.3)
- ... the fact that we follow this recommendation:
- ☒ in our Corporate Governance Statement (section 1.4)



## Corporate Governance Council recommendation

**We have followed the recommendation in full for the whole of the period above. We have disclosed ...**

### PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

- 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.
- 2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

... the fact that we follow this recommendation:

☒ in our Corporate Governance Statement (section 1.4)

... the fact that we follow this recommendation:

☒ in our Corporate Governance Statement (section 1.7 and 1.9)

### PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

- 3.1 A listed entity should:
- have a code of conduct for its directors, senior executives and employees; and
  - disclose that code or a summary of it.

... our code of conduct or a summary of it:

☒ is referred to in our Corporate Governance Statement (section 5.1)

☒ a copy of the Code of Conduct is at this location

[suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

### PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

- 4.1 The board of a listed entity should:
- have an audit committee which:
    - has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
    - is chaired by an independent director, who is not the chair of the board, and disclose:
  - the charter of the committee;
  - the relevant qualifications and experience of the members of the committee; and
  - in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.

... the fact that we have an Audit Committee that complies with paragraphs (1) and (2):

☒ in our Corporate Governance Statement (sections 1.14 and 8.2)

... and a copy of the charter of the committee:

☒ at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

... and the information referred to in paragraphs (4) and (5):

☒ in our Corporate Governance Statement (sections 1.3, 1.6 and 8.2 and section 1 of the Directors' Report which is contained in the 2017–18 Directors' Report and Financial Statements at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports)

☒ and in section 2 of the Directors' Report which is contained in the 2017–18 Directors' Report and Financial Statements at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports)

## Corporate Governance Council recommendation

**We have followed the recommendation in full for the whole of the period above. We have disclosed ...**

### PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

- 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
- 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from securityholders relevant to the audit.

... the fact that we follow this recommendation:

- ☒ in our Corporate Governance Statement (sections 8.1, 8.2, 8.4 and 8.5)

... the fact that we follow this recommendation:

- ☒ in our Corporate Governance Statement (section 8.6)

### PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

- 5.1 A listed entity should:
- have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
  - disclose that policy or a summary of it.

... our continuous disclosure compliance policy or a summary of it:

- ☒ in our Corporate Governance Statement (section 7.1) we provide a summary

- ☒ at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance) we provide the Disclosure Policy

### PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

- 6.1 A listed entity should provide information about itself and its governance to investors via its website.
- 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

... information about us and our governance on our website:

- ☒ at these locations:

[suncorpgroup.com.au/about](http://suncorpgroup.com.au/about)  
[suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)  
[suncorpgroup.com.au/about/history](http://suncorpgroup.com.au/about/history)

... the fact that we follow this recommendation:

- ☒ in our Corporate Governance Statement (sections 7.3, 7.4 and 7.5)

### PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

- 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

... our policies and processes for facilitating and encouraging participation at meetings of securityholders:

- ☒ in our Corporate Governance Statement (sections 7.4 and 7.5)

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>6.4 A listed entity should give securityholders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>... the fact that we follow this recommendation:  <input checked="" type="checkbox"/> in our Corporate Governance Statement (sections 7.4)</p>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>	
<p>7.1 The board of a listed entity should:</p> <p>a. have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director, and disclose:</li> <li>3. the charter of the committee;</li> <li>4. the members of the committee; and</li> <li>5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</li> </ol>	<p>... the fact that we have a Risk Committee that complies with paragraphs (1) and (2):  <input checked="" type="checkbox"/> in our Corporate Governance Statement (sections 1.14 and 4.2)  ... and a copy of the charter of the committee:  <input checked="" type="checkbox"/> at <a href="http://suncorpgroup.com.au/about/corporate-governance">suncorpgroup.com.au/about/corporate-governance</a>  ... and the information referred to in paragraphs (4) and (5):  <input checked="" type="checkbox"/> in our Corporate Governance Statement (sections 1.14 and 4.2)  <input checked="" type="checkbox"/> and in section 2 of the Directors' Report, which is contained in the 2017–18 Directors' Report and Financial Statements at <a href="http://suncorpgroup.com.au/investors/reports">suncorpgroup.com.au/investors/reports</a></p>
<p>7.2 The board or a committee of the board should:</p> <p>a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>b. disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:  <input checked="" type="checkbox"/> in our Corporate Governance Statement (sections 4 and 4.1)  <input checked="" type="checkbox"/> in the Risk Management section on the Governance section on the website at <a href="http://suncorpgroup.com.au/about/corporate-governance">suncorpgroup.com.au/about/corporate-governance</a>  ... and that such a review has taken place in the reporting period covered by this Appendix 4G:  <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 4.1)  <input checked="" type="checkbox"/> in the Risk Management section on the Governance section on the website at <a href="http://suncorpgroup.com.au/about/corporate-governance">suncorpgroup.com.au/about/corporate-governance</a></p>

## Corporate Governance Council recommendation

**We have followed the recommendation in full for the whole of the period above. We have disclosed ...**

### PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

- 7.3 A listed entity should disclose:
- if it has an internal audit function, how the function is structured and what role it performs; or
  - if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

... how our internal audit function is structured and what role it performs:

- ☒ in our Corporate Governance Statement (sections 4.1 and 8.3) and in the Risk Management section on the Governance section on the website at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

- 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:

- ☒ at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports), specifically in the business-related and corporate responsibility disclosures contained in the 2017–18 Annual Review, section 4 of the Corporate Governance statement, section 12 of the 2017–18 Directors' Report and Financial Statements (and more specifically notes 28, 29 and 30) and the risk management disclosures at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

### PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

- 8.1 The board of a listed entity should:
- have a remuneration committee which:
    - has at least three members, a majority of whom are independent directors; and
    - is chaired by an independent director, and disclose:
    - the charter of the committee;
    - the members of the committee; and
    - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
  - if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

... the fact that we have a Remuneration Committee that complies with paragraphs (1) and (2):

- ☒ in our Corporate Governance Statement (sections 1.14, 3.1 and 3.2) ... and a copy of the charter of the committee:

- ☒ at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

... and the information referred to in paragraphs (4) and (5):

- ☒ in our Corporate Governance Statement (sections 1.14 and 3.2)

- ☒ and in section 2 of the Directors' Report and 3.1 of the Remuneration Report which are contained in the 2017–18 Directors' Report and Financial Statements at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports)

## Corporate Governance Council recommendation

**We have followed the recommendation in full for the whole of the period above. We have disclosed ...**

### PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

... we separately disclose our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:

☒ in our Corporate Governance Statement (section 3)  
☒ and in sections 2 and 3 of the Remuneration Report, which is contained in the 2017–18 Directors' Report and Financial Statements at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports)

8.3 A listed entity which has an equity-based remuneration scheme should:  
a. have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and  
b. disclose that policy or a summary of it.

☒ in sections 3.2 and 3.3 of the Remuneration Report which is contained in the 2017–18 Directors' Report and Financial Statements at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports)  
☒ our Corporate Governance Statement (section 5.3)  
☒ our Securities Trading Policy can be found at this location: [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)