

5 September 2018

Suncorp Group Limited Cleansing Notice

Further to the announcement on 29 August 2018, attached is a Notice under section 708A(12H)(e) of the Corporations Act 2001 given by Suncorp Group Limited in relation to the Wholesale Subordinated Notes.

Ends

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5 September 2018

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

Dear Sir / Madam

Suncorp Group Limited (ASX: SUN) – Issue of floating rate, unsecured, subordinated notes (“Wholesale Subordinated Notes”) to raise A\$600 million – Cleansing Statement

This notice is given by Suncorp Group Limited (ABN 66 145 290 124) (“**Suncorp Group**”) under section 708A(12H)(e) of the Corporations Act 2001 (Cth) (“**Act**”) as notionally inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71 (“**ASIC Instrument**”).

- 1 Suncorp Group will today issue the Wholesale Subordinated Notes. Offers of the Wholesale Subordinated Notes do not require disclosure to investors under Part 6D.2 of the Act.
- 2 The terms and conditions of the Wholesale Subordinated Notes are described on pages 50 to 84 of the Schedule to this notice.
- 3 The Wholesale Subordinated Notes are being issued as part of Suncorp Group’s ongoing funding and capital management strategy, the proceeds of which are expected to be used to fund Tier 2 Capital (as described in the prudential standards issued by the Australian Prudential Regulation Authority (“**APRA**”)) of one or more Regulated Entities within the Suncorp Group and for general funding purposes.
- 4 The Wholesale Subordinated Notes may Convert into Ordinary Shares of Suncorp Group on the occurrence of a Non-Viability Trigger Event. The number of Ordinary Shares issued on Conversion is variable, but is limited to the Maximum Conversion Number. The Maximum Conversion Number is 3,258.8807 Ordinary Shares per Wholesale Subordinated Note, based on the Issue Date VWAP of A\$15.34.
- 5 In order to enable Ordinary Shares issued on Conversion to be sold without disclosure under Chapter 6D.2 of the Act, Suncorp Group has elected to give this notice (including the Schedule) under section 708A(12H)(e) of the Act as notionally inserted by the ASIC Instrument. The Schedule forms part of this notice. The Information Memorandum included as the Schedule has been modified from the original Information Memorandum dated 29 August 2018 to delete certain information relating to the Wholesale Subordinated Notes in order to comply with Australian legal requirements.
- 6 Suncorp Group confirms that:
 - (a) Wholesale Subordinated Notes will be issued without disclosure to investors under Part 6D.2 of the Act;
 - (b) the information (including the Schedule) in this notice remains current as at the date of this notice; and

- (c) this notice (including the Schedule) complies with section 708A of the Act, as notionally modified by the ASIC Instrument.

7 Effect of the Wholesale Subordinated Notes offer on Suncorp Group

As noted above, the Wholesale Subordinated Notes are being issued as part of Suncorp Group's ongoing funding and capital management strategy, the proceeds of which are expected to be used to fund Tier 2 Capital (as described in the prudential standards issued by APRA) of one or more Regulated Entities within the Suncorp Group and for general funding purposes.

The proceeds, less the costs of the issue, will be classified as debt in the financial reports of Suncorp Group. The issue of the Wholesale Subordinated Notes will not have a material impact on Suncorp Group's financial position, affairs or creditworthiness.

If Suncorp Group issues Ordinary Shares on Conversion of the Wholesale Subordinated Notes, the impact of Conversion on Suncorp Group would be to increase its shareholders' equity. The number of Ordinary Shares issued on Conversion is limited to a Maximum Conversion Number, as described in the Schedule.

- 8 Unless otherwise defined, capitalised expressions used in this notice have the meanings given to them in the Schedule.

This notice (including the Schedule) is not a prospectus under the Act. Wholesale Subordinated Notes are only intended for professional and sophisticated investors.

Yours sincerely



Kristy Huxtable
Company Secretary

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer of any securities (including Wholesale Subordinated Notes) for sale or issue. Nothing in this document constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The securities described herein have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "**Securities Act**"), or the securities laws of any state of the U.S. or other jurisdiction and the securities described herein may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

SCHEDULE TO CLEANSING NOTICE DATED 5 SEPTEMBER 2018

**IMPORTANT NOTICE
NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR
TO ANY PERSON OR ADDRESS IN THE U.S.**

IMPORTANT: You must read the following before continuing. The following applies to the Information Memorandum following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Information Memorandum. In accessing the Information Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES (“**U.S.**”) OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES DESCRIBED HEREIN MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING INFORMATION MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

Confirmation of your Representation: In order to be eligible to view the Information Memorandum or make an investment decision with respect to the securities described herein, investors must not be in the U.S. and must not be a U.S. person or acting for the account or benefit of a U.S. person (within the meaning of Regulation S under the Securities Act). The Information Memorandum is being sent at your request and by your acceptance of the e-mail attaching the Information Memorandum and accessing the Information Memorandum, you shall represent to Suncorp Group Limited (ABN 66 145 290 124) (the “**Issuer**”), Australia and New Zealand Banking Group Limited (ABN 11 005 357 522), Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832), Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897), National Australia Bank Limited (ABN 12 004 044 937), and Westpac Banking Corporation (ABN 33 007 457 141) (together, the “**Joint Lead Managers**”) that you are not in the U.S. or a U.S. person or acting for the account or benefit of a U.S. person, your stated electronic mail address to which this e-mail has been delivered is not located in the U.S. and that you consent to delivery of such Information Memorandum by electronic transmission.

The securities described herein are complex financial instruments and are not a suitable or appropriate investment for all investors and should not be promoted, offered, distributed and/or sold to retail investors. By your acceptance of the e-mail attaching the Information Memorandum and accessing the Information Memorandum you shall represent, warrant, agree with and undertake to the Issuer and the Joint Lead Managers that you have complied and will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the European Economic Area) relating to the promotion, offering, distribution and/or sale of the securities described herein (including without limitation the European Union’s Directive 2004/39/EC (as amended) as implemented in each Member State of the European Economic Area) and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the securities described herein by investors in any relevant jurisdiction. If you are acting as agent on behalf of a disclosed or undisclosed client the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both you and your underlying client.

You are reminded that the Information Memorandum has been delivered to you on the basis that you are a person into whose possession the Information Memorandum may be lawfully delivered in

accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Information Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

The Information Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Joint Lead Managers nor any person who controls any of them nor any of their respective directors, officers, employees, agents or affiliates accepts any liability or responsibility whatsoever in respect of any such alteration or change from the original Information Memorandum.



Information Memorandum

**for the issue of A\$600,000,000 Suncorp Wholesale
Subordinated Notes due 2028**

Issuer

Suncorp Group Limited
(ABN 66 145 290 124)

Arranger

Goldman Sachs Australia Pty Ltd
(ABN 21 006 797 897)

Joint Lead Managers

Australia and New Zealand Banking Group Limited
(ABN 11 005 357 522)

Citigroup Global Markets Australia Pty Limited
(ABN 64 003 114 832)

Goldman Sachs Australia Pty Ltd
(ABN 21 006 797 897)

National Australia Bank Limited
(ABN 12 004 044 937)

Westpac Banking Corporation
(ABN 33 007 457 141)

29 August 2018

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Important Notice

Introduction

This Information Memorandum relates to the offer by Suncorp Group Limited (ABN 66 145 290 124) (the “**Issuer**”) of A\$600,000,000 subordinated, unsecured notes due 2028 (“**Notes**”) described in this Information Memorandum.

The Issuer is a non-operating holding company (“**NOHC**”) and the ultimate parent company of Suncorp Group, which provides insurance, banking and wealth solutions across Australia and New Zealand. As used in this Information Memorandum, “**Suncorp Group**” means the Issuer and each of its Subsidiaries.

The Notes are being issued as part of the Suncorp Group’s ongoing funding and capital management strategy, the proceeds of which the Issuer expects to use to fund Tier 2 Capital (as described in the Prudential Standards issued by the Australian Prudential Regulation Authority (“**APRA**”)) of one or more Regulated Entities within the Suncorp Group and for general funding purposes.

The Notes will be constituted by the Suncorp Wholesale Subordinated Notes due 2028 Deed Poll made by the Issuer dated on or about 29 August 2018 (“**Deed Poll**”).

Capitalised expressions which are not otherwise defined in this Information Memorandum have the meanings given in clause 17.2 of the terms of the Notes (“**Terms**”). The Terms are set out in the section entitled “Terms of the Notes” below.

The Terms are complex and include features to comply with APRA’s requirements for instruments that fund the regulatory capital of Regulated Entities within the Suncorp Group. The Notes are being issued and sold solely to professional and sophisticated investors who have the skill and experience necessary to make their own investigations and analysis of the risks involved in investments in instruments of that kind and of the Issuer without the need for disclosure to investors under the *Corporations Act 2001* (Cth) (“*Corporations Act*”). The Notes may not be suitable for all investors and any potential investor should consider the suitability of the investment in its own circumstances. In particular, if a Non-Viability Trigger Event occurs, the Notes may be required to be Converted to Ordinary Shares or, if Conversion does not occur as required within 5 Business Days of the date of the Non-Viability Trigger Event, Written-Off. If in any doubt, contact your financial advisor.

The Notes are not:

- deposits with, or deposit liabilities of, Suncorp-Metway Limited (ABN 66 010 831 722) (“**SML**”) or any other member of the Suncorp Group for the purposes of the Banking Act;
- protected accounts for the purposes of the depositor protection provisions of the Banking Act or the financial claims scheme established under the Banking Act;
- policies of any member of the Suncorp Group for purposes of the Insurance Act or protected policies for the purposes of the policyholder protection provisions of the Insurance Act;
- policies with any member of the Suncorp Group for the purposes of the Life Insurance Act;
- guaranteed or insured by the Australian government or under any compensation scheme of the Australian government, or by any other government, under any other compensation scheme or by any government agency or any other party; or
- secured over any of the Issuer’s, or any member of the Suncorp Group’s, assets.

No member of the Suncorp Group other than the Issuer has any obligations in respect of the Notes. The Issuer has no obligation in respect of the Notes other than as expressly set out in the Terms. Neither the Issuer nor any member of the Suncorp Group guarantees the investment performance of the Notes.

The Issuer's responsibility

This Information Memorandum has been prepared by, and issued with the authority of, the Issuer.

The Issuer accepts responsibility for the information contained in this Information Memorandum, other than the information provided by the Joint Lead Managers and the Registrar (each as described in the section entitled "Summary" below) in relation to their respective contact details (if applicable) set out in the section entitled "Directory" below.

Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. References to "**Information Memorandum**" are to this Information Memorandum and any other document incorporated by reference and to any of them individually.

The following documents are incorporated in, and taken to form part of, this Information Memorandum:

- all amendments and supplements to this Information Memorandum prepared and issued by the Issuer from time to time;
- the Suncorp Group FY18 Annual Report (including the Directors' Report and Financial Statements), which includes the most recent audited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 30 June 2018 ("**FY18 Issuer Annual Report**");
- the Suncorp Group FY17 Annual Report (including the Directors' Report and Financial Statements), which includes the audited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 30 June 2017 ("**FY17 Issuer Annual Report**");
- the Suncorp Group FY18 Investor Pack Operating and Financial Review for the financial year ended 30 June 2018 ("**FY18 Issuer Investor Pack**");
- the Suncorp Group FY18 Presentation and Data Pack ("**FY18 Issuer Data Pack**");
- the constitution of the Issuer as amended from time to time ("**Constitution**");
- the Deed Poll; and
- all documents issued by the Issuer and expressly stated to be incorporated in this Information Memorandum by reference.

To the extent that there is any inconsistency between information set out in this Information Memorandum and any document incorporated by reference (other than the Deed Poll and the Constitution), the information set out in this Information Memorandum shall prevail to the extent of the inconsistency. The Deed Poll and the Constitution to the extent of any inconsistency govern their respective subject matter.

Except as expressly provided above, no other information, including information on www.suncorpgroup.com.au or any other website or in any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Copies of the FY18 Issuer Annual Report, FY17 Issuer Annual Report, FY18 Issuer Investor Pack, FY18 Issuer Data Pack, Constitution and Deed Poll are available on Suncorp Group's website at www.suncorpgroup.com.au.

Any other documents incorporated by reference and not available on Suncorp Group's website will, at the Issuer's election, either be sent to actual or prospective investors in the Notes without charge, or be made available for inspection at the Issuer's office specified in the section entitled "Directory" at the end of this Information Memorandum.

All written requests for copies of the above documents should be addressed to Suncorp Investor Relations at the address set out in the Directory.

Recipients must make their own independent investigations

This Information Memorandum is intended for the exclusive use of investors to whom it is delivered by the Joint Lead Managers in accordance with the conditions set out in this Information Memorandum to assist such recipients to determine whether to proceed with a further evaluation of an investment in the Notes. Recipients must make (and will be taken to have made) their own independent investigation and analysis of the Notes and the Issuer, and obtain such advice as they deem necessary before deciding whether to proceed with an investment in the Notes. Recipients must not rely solely on the information contained in this Information Memorandum for the purposes of making an investment decision.

This Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act and does not contain all information that prospective investors may require in order to make an informed decision as to whether to proceed with an investment in the Notes. This Information Memorandum is intended for professional and sophisticated investors who meet the requirements set out in sections 708(8), (10) and (11) of the Corporations Act ("**Professional and Sophisticated Investors**") and is not suitable for, and is not to be provided to, any 'retail client' as defined in section 761G of the Corporations Act.

This Information Memorandum contains only summary information concerning the Issuer and the Notes. The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer or any Notes and should not be considered or relied upon as a recommendation or a statement of opinion, or a report of either of those things, by any of the Issuer, the Arranger, the Joint Lead Managers, the Registrar, the Calculation Agent or the Paying Agent, or their respective related bodies corporate, that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes. Furthermore, this Information Memorandum contains only general information and does not take into account the objectives, financial situation or needs of any potential investor.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes or any rights in respect of any Notes should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the terms and conditions of the Notes and the rights and obligations attaching to the Notes and Ordinary Shares and of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer;
- determine for itself the relevance of the information contained in this Information Memorandum;
- consider other information available about the Issuer, including information lodged by the Issuer with ASX;
- consult its own tax advisers concerning the application of any tax laws applicable to its particular situation and consult other appropriate advisers in respect of any other matters upon which it requires advice; and
- base its investment decision solely upon its own independent assessment and such investigation and consultation with advisers and such other investigations as it considers appropriate or necessary.

No advice is given in respect of the legal or taxation treatment of investors or purchasers or any other matter in connection with an investment in any Notes or rights in respect of them and each investor is

advised to consult its own professional adviser.

No independent verification and role of Joint Lead Managers

The only role of the Arranger and the Joint Lead Managers in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective details in the sections entitled “Summary” and “Directory” below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Registrar, the Calculation Agent, the Paying Agent, the Arranger or the Joint Lead Managers, nor their respective related bodies corporate, has independently verified the information contained in this Information Memorandum.

Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by any of them as to the accuracy, completeness or currency of this Information Memorandum (except for confirming their respective contact details in the section entitled “Directory” below) or any further information supplied by the Issuer in connection with the Notes. Each of them expressly disclaims any duty to potential investors in respect of such matters.

The Arranger and the Joint Lead Managers, and their respective related bodies corporate, expressly do not undertake to review the financial condition or affairs of the Issuer or any of its affiliates at any time or to advise any holder of a Note of any information coming to their attention with respect to the Issuer. Neither the Joint Lead Managers, nor any of their related bodies corporate, make any representation as to the performance of the Issuer, its maintenance of capital or any particular rate of return on the Notes, nor do the Joint Lead Managers or any of their related bodies corporate guarantee the repayment of capital invested in the Notes.

No offer

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Arranger or the Joint Lead Managers to any person to subscribe for, purchase or otherwise deal in any Notes. Nor is this Information Memorandum intended to be used for the purpose of offers or invitations to subscribe for, purchase or otherwise deal in any Notes.

Selling restrictions and no disclosure

Neither this Information Memorandum nor any other disclosure document (as defined in the Corporations Act) in relation to the Notes has been, or will be, lodged with the Australian Securities and Investments Commission (“ASIC”) or any other government agency. No action has been taken which would permit an offering of the Notes in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act.

Notes may only be subscribed for, purchased by or otherwise dealt in by Professional and Sophisticated Investors (see “Subscription and Sale” below). This Information Memorandum is not intended for and should not be distributed to any person other than such investors (including any person that is a ‘retail client’ as defined in section 761G of the Corporations Act).

The distribution and use of this Information Memorandum, including any advertisement or other offering material, and the offer or sale of Notes, may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about those laws and observe any such restrictions.

Persons into whose possession this Information Memorandum or any Notes come must inform themselves about, and observe, any such restrictions, including those set forth in the section entitled “Subscription and Sale”.

This Information Memorandum does not constitute an offer of Notes in any jurisdiction in which it would be unlawful. This Information Memorandum and any other offering materials may not be distributed to any person, and the Notes may not be offered or sold, in any jurisdiction except to the extent contemplated in the section entitled “Subscription and Sale”. In particular, no action has been taken by the Issuer, the Arranger, the Joint Lead Managers or any other person which would permit a public

offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. None of the Issuer, the Arranger or the Joint Lead Managers, nor their respective related bodies corporate, represents that this Information Memorandum or any such document may be lawfully distributed, or that any Notes may be offered, in compliance with the laws of any applicable jurisdiction or other requirements in any such jurisdiction, or under an exemption available in that jurisdiction, or assume any responsibility for facilitating any such distribution or offering.

A person may not (directly or indirectly) offer for subscription or purchase, or issue an invitation to subscribe for or buy Notes, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes, except if the offer or invitation, or distribution or publication, complies with all applicable laws, regulations and directives.

In addition, as the Notes may be Converted into Ordinary Shares, ownership of the Notes and Conversion of the Notes held by any investor will be subject to laws restricting the ownership or acquisition of Ordinary Shares or rights to acquire Ordinary Shares. These laws include the Corporations Act, the *Foreign Acquisition and Takeovers Act 1975* (Cth) and the *Financial Sector (Shareholders) Act 1998* (Cth). Prospective investors in the Notes must inform themselves of, and observe, such laws.

No registration in the United States

Neither the Notes nor the Ordinary Shares have been, nor will they be, registered under the United States Securities Act of 1933 (“**U.S. Securities Act**”). The Notes will not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act (“**Regulation S**”)).

No authorisation

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer or the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or the Joint Lead Managers.

This Information Memorandum may not be reproduced (in whole or in part) or given to any other person, or be used for any purpose except the issue or sale of the Notes in accordance with this Information Memorandum.

Distribution arrangements

The Issuer has agreed to pay each Joint Lead Manager a fee in respect of the Notes subscribed by it, and to reimburse and/or indemnify the Arranger and the Joint Lead Managers for certain expenses incurred in connection with the offer and sale of Notes and will reimburse and/or indemnify the Joint Lead Managers against certain losses and liabilities in connection with the offer and sale of Notes.

The Issuer, the Arranger and the Joint Lead Managers, and their respective related bodies corporate, directors and employees may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealings in the Notes.

References to credit ratings

There are references in this Information Memorandum to credit ratings. A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, variation, suspension or withdrawal at any time by the relevant assigning organisation. Each credit rating should be evaluated independently of any other credit rating. Credit ratings may not reflect the potential impact of all risks and factors that may affect the value of the Notes.

Credit ratings are for distribution only to a person: (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act;

and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

Currencies

In this Information Memorandum references to “**A\$**” or “**Australian dollars**” are to the lawful currency of the Commonwealth of Australia.

Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date (as defined below). Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct at any time subsequent to the Preparation Date or that any other information supplied in connection with the issue of the Notes is correct as of any time subsequent to the Preparation Date or that there has been no change (adverse or otherwise) in the financial condition, affairs or creditworthiness of the Issuer at any time subsequent to the Preparation Date.

The Issuer has no obligation to update this Information Memorandum.

In this Information Memorandum, “**Preparation Date**” means:

- in relation to this Information Memorandum, the date indicated on its face or, if this Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to financial reports incorporated by reference in this Information Memorandum, the date up to or as at the date on which such accounts relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

Forward looking statements

This Information Memorandum contains forward-looking statements including, without limitation, words and expressions such as ‘expect’, ‘believe’, ‘plan’, ‘intend’, ‘estimate’, ‘project’, ‘anticipate’, ‘may’, ‘will’, ‘would’, ‘could’ or similar words or statements (however, these words are not the exclusive means of identifying forward looking statements). In particular, the sections entitled “Description of the Issuer” and “Risks” in this Information Memorandum, contain statements in relation to future events, the Issuer’s and Suncorp Group’s prospects, expected financial condition, business strategies, the future developments of the operations of the Suncorp Group and industry and the future development of the general economy.

These statements are based on a range of assumptions including assumptions regarding Suncorp Group’s present and future business strategy and the environment in which it expects to operate in the future. These matters and future results could differ materially from those expressed or implied by these forward-looking statements and although these forward-looking statements reflect its current view of future events, they are not a guarantee of future performance or other matters. In addition, Suncorp Group’s future performance may be affected by various factors and risks. Should one or more risks or uncertainties materialise, or should any underlying assumptions prove incorrect, actual outcomes may

vary materially from those indicated. Prospective investors should therefore not place undue reliance on any of these forward-looking statements.

In this Information Memorandum, statements of, or references to, intentions of the Issuer, or those of its directors are made as at the date of this Information Memorandum. Any such intentions may change in light of future developments.

The Issuer expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any such statement was based or any change in the intentions of the Issuer or its directors.

Summary

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to the Notes, in conjunction with the Deed Poll (as defined below) and the Terms. Capitalised expressions in this section which are not otherwise defined have the meanings given in clause 17.2 of the Terms.

Issuer:	Suncorp Group Limited (ABN 66 145 290 124)
Arranger	Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897)
Joint Lead Managers:	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897) National Australia Bank Limited (ABN 12 004 044 937) Westpac Banking Corporation (ABN 33 007 457 141)
Registrar and Calculation Agent:	Austraclear Services Limited (ABN 28 003 284 419) or any other person appointed by the Issuer to maintain the Register and perform any other duties as specified in the Registry Agreement.
Paying Agent	Suncorp-Metway Limited (ABN 66 010 831 722) (“ SML ”) <i>SML acts solely as paying agent pursuant to its agreement with the Issuer and has no obligation to Holders. The Notes are not deposit liabilities of, or guaranteed by, SML.</i> <i>Each of the Calculation Agent and Paying Agent act as agent solely for the Issuer and may be replaced by the Issuer.</i>
Issue Date	Expected to be 5 September 2018.
Denomination	Subject to any applicable legal or regulatory requirements, Notes will be issued in denominations of A\$10,000.
Form of Notes:	Notes will take the form of entries in a register. No certificate will be issued unless the Issuer determines that certificates should be available or are required by any applicable law.
Deed Poll:	The Notes will be constituted under, and Holders of the Notes will have the benefit of, the Deed Poll.
Title:	Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of the Note subject to correction for fraud or error.
Maturity Date:	5 December 2028 or if that day is not a Business Day, the following Business Day.

**Status and
Ranking of the
Notes:**

The Notes constitute direct and unsecured subordinated obligations of the Issuer, ranking:

- (a) ahead of the claims of all Junior Ranking Creditors;
- (b) equally without any preference among themselves;
- (c) equally with the claims of all Equal Ranking Creditors; and
- (d) behind the claims of Senior Ranking Creditors.

If Notes are required to be Converted on account of a Non-Viability Trigger Event (see “Conversion to Ordinary Shares of the Issuer following a Non-Viability Trigger Event” below), the position of a Holder in respect of those Notes will be as follows:

- (a) if those Notes are Converted, the Holder will become a holder of the Conversion Number of Ordinary Shares, in which case the Ordinary Shares received may be worth significantly less than the Face Value of Notes held, and the Holder will rank for payment on a winding-up of the Issuer equally with other holders of Ordinary Shares; and
- (b) if for any reason (including, without limitation, an Inability Event) Conversion of any Notes which are required to be Converted does not occur within 5 Business Days of the Trigger Event Date, then:
 - (i) the relevant Notes will not be Converted on the Trigger Event Date and will not be Converted or Redeemed under the Terms on any subsequent date; and
 - (ii) the relevant Holder’s rights (including to Interest and payment of Face Value and to be issued with the Conversion Number of Ordinary Shares) in relation to such Notes will be immediately and irrevocably Written-Off with effect on and from the Trigger Event Date.

Notes are claims on the Issuer. The Issuer is a NOHC. A substantial majority of its assets are its investments in other members of the Suncorp Group. The Issuer’s claims in respect of those investments rank behind depositors, policyholders and other creditors in a winding-up of those companies.

The table below illustrates how the Notes would rank upon a winding-up of the Issuer if they are on issue at the time (and have not been required to be Converted). The ranking of Holders in a winding-up will be adversely affected if a Non-Viability Trigger Event occurs and Notes are required to be Converted into Ordinary Shares, in which case Holders will have a claim as holders of Ordinary Shares. If, following a Non-Viability Trigger Event, Notes are Written-Off, all rights in relation to those Notes will be terminated and Holders will not have their capital repaid.

In the table below, a ‘higher ranking’ claim is one which will be paid out of the Issuer’s available assets in a winding-up before claims with a lower ranking. It may be that lower ranking securityholders, including Holders, will be paid only part or none of the amounts owing to them (in the case of Holders, the claim for the Face Value), as there may be insufficient assets remaining to make such

payments after higher ranking claims have been paid.

	Type	Illustrative examples
Higher ranking	Preferred and secured debt	Liabilities preferred by law including employee entitlements and secured creditors
	Unsubordinated and unsecured debt	Bonds and notes, trade and general creditors
	Subordinated and unsecured debt	The Notes, the Suncorp Subordinated Notes, any other subordinated and unsecured debt obligations, and any other securities expressed to rank equally with the Notes
	Perpetual and subordinated instruments	Capital Notes, Capital Notes 2 and CPS3
	Lower ranking	Ordinary Shares

The Notes are not guaranteed by any member of the Suncorp Group or secured over the assets of any member of the Suncorp Group. The Notes are not:

- (a) deposits with, or deposit liabilities of, SML or any other member of the Suncorp Group for the purposes of the Banking Act;
- (b) protected accounts for the purposes of the depositor protection provisions of the Banking Act or the financial claims scheme established under the Banking Act;
- (c) policies of any member of the Suncorp Group for purposes of the Insurance Act or protected policies for the purposes of the policyholder protection provisions of the Insurance Act;
- (d) policies with any member of the Suncorp Group for the purposes of the Life Insurance Act; or
- (e) guaranteed or insured by the Australian government or under any compensation scheme of the Australian government, or by any other government, under any other compensation scheme or by any government agency or any other party.

Interest payments:

- (a) The Interest Payment Dates are 5 December, 5 March, 5 June and 5 September in each year and the Maturity Date or an Early Redemption Date with the first Interest Payment Date being 5 December 2018. If any of these dates is not a Business Day, the Interest Payment Date is the following Business Day. Payment of Interest is subject to the Solvency Condition (see below).
- (b) The amount of Interest payable on a Note for an Interest Period is calculated according to the following formula:

$$\text{Interest payable} = \text{Interest Rate} \times \text{Face Value} \times \text{Day Count Fraction}$$

- (c) The Interest Rate will be calculated as follows:

$$\text{Interest Rate} = \text{Bank Bill Rate} + \text{Margin}$$

and expressed as a percentage per annum, where:

Bank Bill Rate means, for the Interest Period, the rate for prime bank eligible securities having a tenor of 3 months, which is designated as the "AVG MID" on the Thomson Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any page that replaces that page) at approximately 10:30am, Sydney time (or such other time at which such rate customarily appears on that page) on the relevant day ("**Publication Time**"), on the first Business Day of the Interest Period. However, if such rate does not appear on the Thomson Reuters Screen BBSW Page (or any page that replaces that page) by 10:45am, Sydney time, on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Issuer determines that there is an obvious error in that rate, "**Bank Bill Rate**" means the rate determined by the Issuer having regard to comparable indices then available; and

Margin means 2.15% per annum.

- (d) Day Count Fraction means, for any Interest Period or other period, the actual number of days in the Interest Period or other period (from and including the first day of such period to but excluding the last day of such period) divided by 365.

Solvency Condition:

When the Issuer is not in a winding-up:

- (a) no amount is due and payable by the Issuer in respect of the Notes unless, at the time of, and immediately after, the payment, the Issuer is, and would be, Solvent ("**Solvency Condition**"). A certificate signed by the Issuer, two authorised signatories of the Issuer, its auditor or, if the Issuer is being wound up, its liquidator, as to whether the Issuer is Solvent at any time is (in the absence of wilful default, bad faith or manifest error) conclusive evidence of the information contained in the certificate and will be binding on the Holders. In the absence of such a certificate, Holders are entitled to assume (unless the contrary is proved) that the Issuer is Solvent at the time of, and will be Solvent immediately after, any payment in respect of the Notes; and
- (b) if all or any part of an amount that otherwise would be due and payable under the Terms is not due and payable because at the time of, and immediately after, the payment the Issuer would not be Solvent then, subject to clause 3.3 of the Terms, Holders have no claim or entitlement

in respect of such non-payment and such non-payment does not constitute an Event of Default.

If the Issuer does not make a payment because the Solvency Condition is not satisfied, such non-payment does not constitute an Event of Default. However, any amount of Interest which is not paid because of the Solvency Condition, or payment of which is not made when due and payable, accumulates and accrues Interest at the Interest Rate (as if it were an amount of Face Value) in accordance with clause 3 of the Terms, and will be payable on the first Interest Payment Date on which the Issuer satisfies the Solvency Condition.

Interest will cease to be payable if Notes have been Converted or Written-Off on account of a Non-Viability Trigger Event. This includes any Interest that has not been paid because of the Solvency Condition.

Redemption of Notes on Maturity Date:

The Issuer shall Redeem each Note on the Maturity Date by payment of its Face Value (together with any Interest accrued to (but excluding) the Maturity Date) unless:

- (a) the Note has been previously Redeemed;
- (b) the Note has been purchased by the Issuer and cancelled; or
- (c) the Note has been Converted or Written-Off.

Early Redemption of Notes:

Subject to certain conditions and requirements set out below, the Issuer may Redeem:

- (a) all or some of the Notes on 5 December 2023 or an Interest Payment Date occurring after that date; and
- (b) if a Tax Event or Regulatory Event occurs, all (but not some only) Notes at any time,

by payment of their Face Value (together with any Interest accrued to (but excluding) the Early Redemption Date).

The Issuer must give at least 15 Business Days (and no more than 30 Business Days) notice ("**Early Redemption Notice**") to the Registrar and the Holders of any early Redemption of Notes in accordance with the Terms. The Early Redemption Notice must be given in accordance with the Terms and the Deed Poll and specify the Early Redemption Date, which must be a Business Day.

The Issuer may only Redeem Notes early if:

- (a) either:
 - (i) prior to, or concurrently with, Redemption, the Issuer replaces the Notes with Relevant Subordinated Instruments or Ordinary Shares and the replacement is done under conditions that are sustainable for the income capacity of the Issuer; or
 - (ii) the Issuer obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the Suncorp Group, that the Issuer does not have to replace the Notes; and
- (b) APRA has given its prior written approval of the Redemption.

Holders should note that any approval is at APRA's discretion and may not be

given.

Notes will not be Redeemed if on the Early Redemption Date the Solvency Condition is not satisfied or if on or before that date Notes have been Converted or Written-Off on account of a Non-Viability Trigger Event.

Tax Event and Regulatory Event:

Tax Event (as defined in the Terms) means broadly that the Directors receive an opinion that, as a result of a change in law or regulation in Australia on or after the Issue Date affecting taxation (which the Issuer did not expect on the Issue Date), there is more than an insubstantial risk which the Directors determine to be unacceptable that:

- (a) the Issuer would be required to pay Additional Amounts in respect of the Notes;
- (b) any interest payable in respect of the Notes is not or may not be allowed as a deduction for Australian income tax purposes (whether in full or to some material extent); or
- (c) the Issuer would be exposed to more than a *de minimis* increase in its costs (including without limitation through the imposition of any taxes, duties, assessments or other charges or as a consequence of the Notes not satisfying the requirements of a “debt interest” as that term is defined in the Tax Legislation) or more than a *de minimis* adverse tax consequence in relation to the Notes.

A **Regulatory Event** (as defined in the Terms) means broadly that:

- (a) the Directors receive an opinion that, as a result of a change in Australian law or regulation or any requirement of APRA on or after the Issue Date (which the Issuer did not expect on the Issue Date), additional requirements would be imposed on the Issuer in connection with the Notes, which the Directors determine, in their absolute discretion, to be unacceptable; or
- (b) following a notification from, or announcement or determination by, APRA, the Directors determine in their absolute discretion that the Issuer is not or will not be entitled to treat the Notes in full as a Relevant Term Subordinated Instrument, except where the reason the Issuer is not entitled to so treat the Notes is because of a prudential limit or other restriction which is in effect on the Issue Date or which on the Issue Date is expected by the Issuer to come into effect.

Holders have no right to request Redemption or Conversion:

A Holder cannot require the Issuer or any other person to Convert or Redeem (or otherwise purchase) a Note prior to the Maturity Date.

Conversion to Ordinary Shares of the Issuer following a Non-Viability Trigger Event:

The Issuer may be required to Convert Notes into Ordinary Shares if a Non-Viability Trigger Event occurs. This feature is required to be included so that the Issuer may use the proceeds of the issue of Notes to fund Tier 2 Capital of one or more Regulated Entities within the Suncorp Group.

A Non-Viability Trigger Event means APRA has provided a written determination to the Issuer that:

- (a) the conversion to Ordinary Shares or write off of Relevant Subordinated Instruments in accordance with their terms or by operation of law is necessary because without the conversion to Ordinary Shares or write off, APRA considers that the Issuer would become non-viable; or
- (b) without a public sector injection of capital into, or equivalent support with

respect to, the Issuer, APRA considers that the Issuer would become non-viable.

(such determination a “**Non-Viability Determination**”).

If a Non-Viability Trigger Event occurs under paragraph (b) above, all Notes will be required to be Converted. If a Non-Viability Trigger Event occurs under paragraph (a) above, the Issuer must immediately determine in accordance with APRA's determination the amount of Notes that will be Converted and the amount of other Relevant Subordinated Instruments which will be converted or written-off and the identity of the Holders at the time that the Conversion is to take effect on that date. Relevant Tier 1 Capital Instruments (if any) would be Converted ahead of the Notes and other Relevant Term Subordinated Instruments. The relevant amount of Notes must be Converted on the Trigger Event Date (being the date the Non-Viability Trigger Event occurs).

On Conversion, Holders will receive the Conversion Number of Ordinary Shares. The Conversion Number of Ordinary Shares may be worth significantly less than the Face Value of Notes and a Holder may suffer a loss as a consequence of Conversion.

The Conversion Number will be calculated by the Issuer in accordance with the following formula:

$$\text{Conversion Number for each Note} = \frac{\text{Face Value}}{0.99 \times \text{VWAP}}$$

subject to the Conversion Number being no greater than the Maximum Conversion Number,

where:

VWAP (expressed in dollars and cents) means the VWAP during the VWAP Period; and

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

$$\text{Maximum Conversion Number} = \frac{\text{Face Value}}{0.20 \times \text{Issue Date VWAP}}$$

where:

Issue Date VWAP means the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but not including the Issue Date, as adjusted in accordance with the Terms.

From the Trigger Event Date, the Issuer shall treat the Holder in respect of the Notes as the holder of the Conversion Number of Ordinary Shares and will take all such steps, including updating any of its registers, required to record the Conversion.

Write-Off if Conversion does not occur when required:

If Notes which are required to be Converted following the occurrence of a Non-Viability Trigger Event are not Converted for any reason (including, without limitation, an Inability Event) within 5 Business Days of the Trigger Event Date, then Conversion of those Notes will not occur and those Notes shall be Written-Off with effect on and from the Trigger Event Date.

Written-Off (as defined in the Terms) means that the Holder's rights (including to Interest and payment of Face Value and to be issued with the Conversion Number of Ordinary Shares) in relation to the Notes are immediately and

irrevocably written-off and terminated.

Events of Default: An Event of Default occurs in relation to the Notes if:

- (a) subject to the Solvency Condition, the Issuer fails to pay:
 - (i) any amount of principal within 10 days of the due day for payment; or
 - (ii) any amount of Interest or other amount within 30 days of the due date for payment;
- (a **“Payment Default”**); or
- (b) an:
 - (i) order is made by a court (other than an order successfully appealed or permanently stayed within 60 days), or
 - (ii) an effective resolution is passed,

for the winding-up of the Issuer in Australia (but not elsewhere), in each case other than for the purposes of a consolidation, amalgamation, merger or reconstruction which has been approved by a Special Resolution (defined below) of the Holders or in which the surviving entity has assumed or will assume expressly or by law all obligations of the Issuer in respect of the Notes,
- (a **“Winding-up Default”**).

Non-payment because the Solvency Condition has not been satisfied does not constitute an Event of Default.

At any time after the occurrence of an Payment Default which continues unremedied, the Holder of any Notes may without further notice bring proceedings:

- (a) to recover any amount then due and payable but unpaid on the Notes (subject to the Solvency Condition);
- (b) to obtain a court order for specific performance of any other obligation in respect of the Notes; or
- (c) for the winding-up of the Issuer.

At any time after the occurrence of a Winding-up Default which continues unremedied, the Holder of any Notes may declare by notice to the Issuer that the Face Value of each Note (together with Interest accrued but unpaid to the date for payment) is payable on a date specified in the notice and, subject to clause 9 of the Terms, may prove in the winding-up of the Issuer for that amount but may take no further action to enforce the obligations of the Issuer for payment of any principal or Interest in respect of the Notes.

The Holder may not exercise any other remedies (including any right to sue for damages which has the same economic effect as acceleration) as a consequence of an Event of Default other than as specified in the Terms.

Issue of Ordinary Shares to a Nominee:

If Notes are required to be Converted and:

- (a) the Holder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of Conversion, which notice may be given at any time on or after the Issue Date and no less than 15 Business

Days prior to the Trigger Event Date;

- (b) the Holder is an Ineligible Holder (as defined in the Terms and broadly meaning a Foreign Holder or a Holder who the Issuer believes is prohibited or restricted by any applicable law or regulation in force in Australia from being offered, holding or acquiring Ordinary Shares);
- (c) for any reason (whether or not due to the fault of the Holder), the Issuer has not received the information required for Conversion prior to the Trigger Event Date and the lack of such information would prevent the Issuer from issuing the Ordinary Shares to the Holder on the Trigger Event Date; or
- (d) FATCA Withholding is required to be made in respect of the Ordinary Shares to be issued upon Conversion,

then, on the Trigger Event Date, the Holder's rights (including to payments of Interest or Additional Amounts, or the repayment of principal) in relation to each such Note being Converted will be immediately and irrevocably terminated and the Issuer will issue the Conversion Number of Ordinary Shares to one or more Nominees for no additional consideration and on terms that at the first opportunity the Nominee will sell the Ordinary Shares at market value and pay the Proceeds to the relevant Holder or, in the case of a FATCA Withholding, will deal with the Ordinary Shares and any proceeds of sale as required by FATCA.

If the Conversion of Notes to which this applies does not occur within 5 Business Days of the Trigger Event Date, then Holders' rights will be immediately and irrevocably Written-Off in accordance with the Terms. The Issuer has no liability to a Holder for the acts of any Nominee appointed to sell the Ordinary Shares upon the occurrence of a Non-Viability Trigger Event and has no, nor owes any, duties in connection with any such sale and has no responsibility for any costs, losses, liabilities, expenses, demands or claims which arise as a result of such sale.

Regulatory treatment of Notes:

APRA has advised that it permits the Issuer to use the proceeds of the issue of the Notes to fund Tier 2 Capital of one or more Regulated Entities within the Suncorp Group.

No set-off in relation to Notes:

A Holder:

- (a) may not exercise any right of set-off against the Issuer in respect of any claim by the Issuer against that Holder; and
- (b) will have no offsetting rights or claims on the Issuer if the Issuer does not pay an amount when scheduled under the Terms.

The Issuer may not exercise any right of set-off against a Holder in respect of any claim by that Holder against the Issuer.

Substitution of Approved Acquirer:

If an Acquisition Event occurs and the bidder (or its ultimate holding company) or the person having a relevant interest in the Ordinary Shares after the scheme is implemented (or any entity that Controls the bidder or the person having the relevant interest) is an Approved Acquirer, the Issuer may without the consent of the Holders (but with the prior approval of APRA) amend the Terms such that, unless APRA otherwise agrees, on a Trigger Event Date:

- (a) each Note that is being Converted in whole will be automatically transferred by each Holder free from encumbrance to the Approved Acquirer on the Trigger Event Date;
- (b) each Holder of the Notes being Converted (or a Nominee, if applicable,

subject to necessary changes, to such Approved Acquirer Ordinary Shares) will be issued a number of Approved Acquirer Ordinary Shares equal to the Conversion Number and the Conversion mechanics that would have otherwise been applicable to the determination of the number of Ordinary Shares shall apply (with any necessary changes) to the determination of the number of such Approved Acquirer Ordinary Shares; and

- (c) as between the Issuer and the Approved Acquirer, each Note held by the Approved Acquirer as a result of the transfer will be automatically Converted into a number of Ordinary Shares the aggregate market value of which equals the prevailing principal amount of that Note.

The Issuer may make such other amendments to the Terms as in the Issuer's reasonable opinion are necessary and appropriate in order to effect the substitution of an Approved Acquirer as the issuer of the Ordinary Shares to be delivered upon Conversion in the manner contemplated by the Terms and consistent with the requirements of APRA in relation to Tier 2 Capital.

An "**Acquisition Event**" means:

- (a) a takeover bid (as defined in the Corporations Act) is made to acquire all, or some of, the Ordinary Shares and such offer is, or becomes, unconditional, all regulatory approvals necessary for the acquisition to occur have been obtained and either:
 - (i) the bidder has at any time during the offer period, a relevant interest in more than 50% of the Ordinary Shares in issue; or
 - (ii) the Directors issue a statement that at least a majority of its directors who are eligible to do so have recommended acceptance of such offer (in the absence of a higher offer); or
- (b) a court orders the holding of meetings to approve a scheme of arrangement under Part 5.1 of the Corporations Act, which scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares that will be in issue after the scheme is implemented and:
 - (i) all classes of members of the Issuer pass all resolutions required to approve the scheme by the majorities required under the Corporations Act, to approve the scheme; and
 - (ii) all conditions to the implementation of the scheme, including any necessary regulatory or shareholder approvals (but not including approval of the scheme by the court), have been satisfied or waived.

Amendments to the Terms or the Deed Poll:

At any time and from time to time, but subject to compliance with the Corporations Act and all other applicable laws, the Issuer may, without the consent of the Holders, amend the Terms or the Deed Poll if the Issuer is of the opinion that such amendment is:

- (a) of a formal or technical or minor nature;
- (b) made to cure any ambiguity or correct any manifest error;

- (c) necessary or expedient for the purpose of enabling the Notes to be offered for subscription or for sale under the laws for the time being in force in any place;
- (d) necessary to comply with the provisions of any statute or the requirements of any statutory authority;
- (e) is made in accordance with the Issuer's adjustment rights in clause 7 of the Terms;
- (f) is made to:
 - (i) amend the terms of the Notes to align them with any Relevant Term Subordinated Instrument issued after the Issue Date;
 - (ii) alter the definition of "Relevant Subordinated Instruments", "Relevant Tier 1 Capital Instruments" or "Relevant Term Subordinated Instruments" on account of the issue after the Issue date of capital instruments of the Issuer or the Suncorp Group; or
- (g) in any other case, not materially prejudicial to the interests of the Holders as a whole.

For the purposes of determining whether an amendment is not materially prejudicial to the interests of Holders as a whole, the taxation and regulatory capital consequences to a Holder (or any class of Holders) and other special consequences or circumstances which are personal to a Holder (or any class of Holders) do not need to be taken into account by the Issuer.

Unless the Issuer may amend the Terms without consent of the Holders, the Issuer may amend the Terms with the approval of the Holders by Special Resolution in accordance with the Deed Poll.

A Special Resolution broadly means:

- (a) a resolution passed at a meeting of Holders by a majority of at least 75% of the votes cast; or
- (b) a circular resolution made in writing by Holders representing at least 75% of the outstanding principal amount of the Notes.

The Meeting Provisions in the Deed Poll contain provisions regulating notice, quorum and voting in respect of any resolution of Holders.

Prior to any amendment under the Terms, the Issuer must obtain any consent needed to the amendment and, in particular, any amendment which may affect the eligibility of the Notes as a Relevant Term Subordinated Instrument, is subject to the prior written consent of APRA.

Austraclear:

If Notes are lodged in the Austraclear System, the Registrar will enter Austraclear in the Register as the Holder of those Notes. While those Notes remain in the Austraclear System, all dealings (including transfers and payments) in relation to those Notes within the Austraclear System will be governed by the regulations for the Austraclear System (but without affecting any Term which affect the eligibility of the Notes as a Relevant Term Subordinated Instrument).

Where Austraclear is recorded in the Register as the Holder, each person in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded is deemed to acknowledge in favour of the Registrar and Austraclear

that:

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

For the purposes of determining entitlements to Ordinary Shares on Conversion of a Note held in the Austraclear System, the person in whose Security Record that Note is held in the Austraclear System will be deemed to be the Holder of that Note.

Any Holder who is not an Austraclear Participant will have to maintain arrangements with an Austraclear Participant in order to hold an interest in Notes or to receive any Ordinary Shares issued on Conversion. The Issuer has no responsibility for these arrangements or for the performance by any Austraclear Participant of its obligations.

Transactions relating to interests in the Notes may also be carried out through the settlement system operated by Euroclear Bank S.A./N.V. ("**Euroclear**") or the settlement system operated by Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Interests in the Notes traded in the Austraclear System may be held for the benefit of Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in Notes in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in a Note held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Note, which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the Terms.

Governing law: The Notes and all related documentation (other than the Registry Agreement) will be governed by the laws of Queensland, Australia. The Registry Agreement will be governed by the laws of New South Wales, Australia.

Use of proceeds: The Notes are being issued as part of the Suncorp Group's ongoing funding and capital management strategy, the proceeds of which the Issuer expects to use to fund Tier 2 Capital of one or more Regulated Entities within the Suncorp Group and for general funding purposes.

Selling Restrictions: The offering, sale and delivery of Notes are subject to the rules, restrictions and operating procedures which may apply in connection with the offering and sale of the Notes. See also "Subscription and Sale" below.

It is the Issuer's expectation that any Ordinary Shares issued on Conversion of Notes will be freely tradeable.

Transfer:

Notes may only be transferred in whole but not in part.

Where Notes are not lodged in the Austraclear System, subject to the transfer restriction described below, all applications to transfer Notes must be made by lodging with the Registrar a properly completed transfer and acceptance form in the form approved by the Issuer and the Registrar signed by both the transferor and the transferee. Transfer and acceptance forms are available from any Registry Office.

Notes which are lodged in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

Notes may only be transferred:

- (a) pursuant to offers received in Australia, if:
 - (i) the aggregate consideration payable at the time of transfer is at least A\$500,000 (disregarding moneys lent by the transferor or its associates) or the Notes are otherwise transferred in a manner which does not require disclosure in accordance with Part 6D.2 or Part 7 of the Corporations Act; and
 - (ii) the transfer does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act; or
- (b) between persons in a jurisdiction or jurisdictions other than Australia if the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place and the transfer of the Notes otherwise does not require disclosure to investors in accordance with the laws of the jurisdiction in which the transfer takes place.

Notes will not be transferable on the Register so long as Austraclear Services Limited is the Registrar and Notes are lodged in the Austraclear System, except:

- (a) for the purposes of any Conversion, Write-Off, Redemption, repurchase or cancellation of a Note, a transfer of that Note from Austraclear to the Issuer may be entered in the Register; and
- (b) if Austraclear exercises or purports to exercise any power it may have under the Austraclear Regulations from time to time for the Austraclear System or the Terms, to require a Note to be transferred on the Register to a member of the Austraclear System, that Note may be transferred on the Register from Austraclear to the member of the Austraclear System.

In any of these cases, the Note will cease to be held in the Austraclear System.

Taxes:

A general description of the Australian taxation consequences of investing in the Notes is set out in the section entitled “Australian Taxation” below. However, investors should obtain their own taxation advice regarding the taxation status of investing in Notes.

Stamp duty:

Any stamp duty incurred at the time of issue of the Notes will be for the account of the Issuer. Any stamp duty incurred on a transfer of Notes will be for the account of the relevant investors. As at the date of this Information Memorandum, no Australian stamp duty should be payable on the issue of the Notes or any transfer of Notes. See “Australian Taxation – Other Australian tax matters – stamp duty and other taxes” below.

Withholding tax:

Subject to certain exceptions, if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the Notes, the Issuer

will deduct the amount for the Taxes and will pay an Additional Amount so that Holders receive the full amount that would have been received if the deduction or withholding had not been made. However, the Issuer is not required to pay an Additional Amount with respect to, among other things, a FATCA Withholding or if an Australian Holder (as defined in the section entitled "Australian Taxation") has not supplied an appropriate tax file number, an Australian business number or other exemption details. See "Australian Taxation" and "U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard" below.

Listing:

The Notes will not be listed on any stock exchange. The Issuer will use all reasonable endeavours to list Ordinary Shares issued upon Conversion on the ASX.

Description of the Issuer

1 Introduction

The Issuer is a top 20 ASX-listed company (ASX: SUN) with a market capitalisation of A\$19 billion as at 30 June 2018. The Issuer is a NOHC and the ultimate parent company of Suncorp Group, which provides insurance, banking and wealth solutions across Australia and New Zealand.

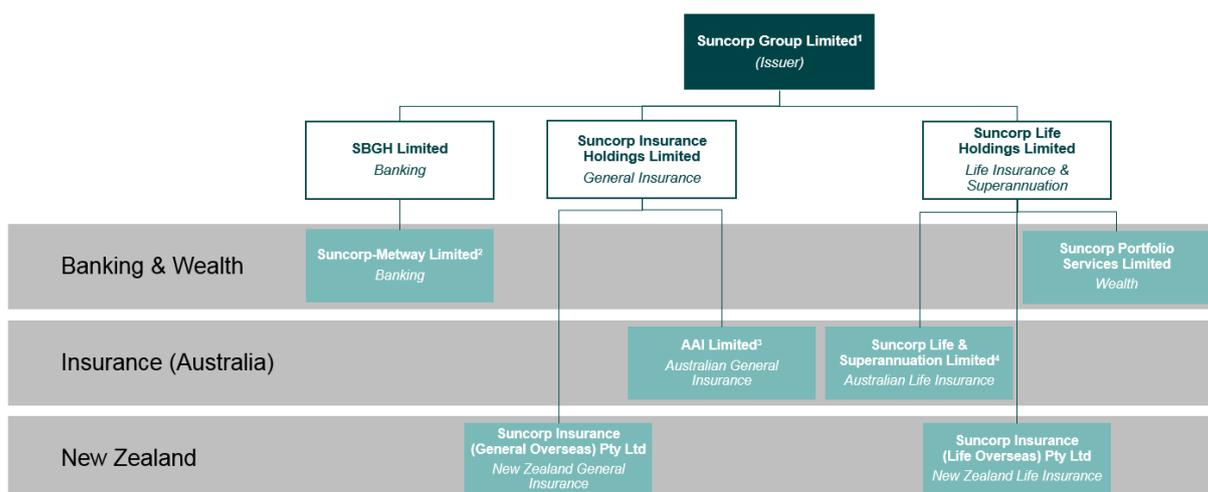
The Suncorp Group has A\$99 billion in assets as at 30 June 2018, employs close to 13,300 people and serves approximately 9.6 million customers across its network of wholly owned brands including Suncorp, AAMI, Vero, GIO, Apia and Shannons, as well as its ecosystem of partners. Suncorp maintains prominent market positions as one of the leading general insurers in Australia and New Zealand and a leading regional bank in Australia.

Suncorp's purpose to create a better today extends to its customers, shareholders, communities and people. Suncorp helps families, individuals and businesses connect with the products, services, tools and experiences that enable them to enjoy the life they have today, and plan for the life they want tomorrow.

More information about Suncorp can be found at www.suncorpgroup.com.au.

2 Overview of the Suncorp Group

2.1 Simplified corporate structure



Note: The above diagram is illustrative in nature and is only intended to demonstrate the context of the Issuer in terms of the broader Suncorp Group. It does not include all the legal entities within the Suncorp Group.

- Suncorp Group Limited (the Issuer):** The Issuer has four ASX-listed regulatory capital instruments currently on issue: Suncorp Subordinated Notes (SUNPD), Convertible Preference Shares 3 (SUNPE), Capital Notes (SUNPF) and Capital Notes 2 (SUNPG).
- Suncorp-Metway Limited:** Issues various wholesale instruments, including senior unsecured bonds pursuant to its Domestic Medium Term Notes, Transferable Deposits and Other Debt Instruments Programme and its US\$15 billion 144A Programme for the issuance of Senior Medium Term Notes. It also issues covered bonds through its US\$5 billion Global Covered Bond Programme and issues mortgage-backed securities through its APOLLO Securitisation Programme. It has also issued ASX-listed Floating Rate Capital Notes (SBKHB, formerly SUNHB).
- AAI Limited:** AAI Limited has subordinated notes on issue to wholesale investors. These include AUD bonds issued in 2015 and 2016.
- Some business from Suncorp Life & Superannuation Limited also rolls up into the Banking & Wealth function.

The Issuer has been approved by the Australian prudential regulator, APRA, as the authorised

NOHC of the Suncorp Group. Subsidiary holding companies have been established for each of the APRA-regulated general insurance businesses (“**General Insurance**”), APRA-regulated life insurance and superannuation businesses (“**Life Insurance**”) and APRA-regulated banking businesses (“**Bank**”).

2.2 Operating functions

Suncorp Group has three operating functions: Insurance (Australia), Banking & Wealth, and New Zealand.

2.2.1 Insurance (Australia)

The Insurance (Australia) business provides consumer, commercial, personal injury and life insurance products to the Australian market. Suncorp is one of Australia’s largest general insurers by gross written premiums (“**GWP**”) and the largest personal-injury insurer combining compulsory third party (“**CTP**”), workers’ compensation and life insurance (see further section 2.2.4 in relation to the Australian life insurance business).

2.2.2 Banking & Wealth

Suncorp’s Banking & Wealth business has A\$58.7 billion in lending assets and A\$7.5 billion in funds under management and administration both as at 30 June 2018.

Suncorp is a leading regional banking and wealth provider. Suncorp’s core banking business is focused on lending, deposit gathering and transaction account services to personal, small to medium enterprise, commercial and agribusiness customers. The Wealth division creates, administers and distributes multiple superannuation and investment products.

2.2.3 New Zealand

The New Zealand business shares a singular purpose and strategy with the Australian insurance business with an aligned vision and priorities that have been localised for the New Zealand market.

Suncorp New Zealand distributes consumer, commercial and life insurance products through intermediaries and corporate partners as well as directly to customers via a joint venture with the New Zealand Automobile Association.

2.2.4 Other Developments

On 9 August 2018, Suncorp Group announced that it had entered into a non-binding Heads of Agreement to sell its Australian life insurance business¹ to TAL Dai-ichi Life Australia Pty Ltd (“**TAL**”) for total consideration of approximately A\$725 million (subject to certain adjustments) (“**Transaction**”).

Subject to the parties entering into legally binding sale documentation and the satisfaction of certain conditions and regulatory approvals in Australia and Japan, completion of the Transaction is expected to occur by 31 December 2018.

Allowing for separation and transaction costs, provisions and hybrid capital, and subject to completion of the Transaction, Suncorp Group anticipates returning approximately A\$600 million to shareholders. Any capital return would be subject to APRA and other required approvals. Assuming completion occurs by 31 December 2018, the Transaction is expected to be marginally accretive to cash return on equity in the 2019 financial year (FY19). Completion of the Transaction is expected to result in an after

¹ The proposed Transaction is structured as a sale of 100% of the shares in Suncorp Life & Superannuation Limited, which includes Suncorp’s Australian life risk and participating annuities and unit-linked wealth business but excludes the Australian Wealth Suncorp Portfolio Services Limited superannuation business.

tax non-cash loss on sale in FY19 of approximately A\$880 million.²

As part of the proposed Transaction, Suncorp Group intends to enter into a 20-year strategic alliance with TAL to offer life insurance solutions through Suncorp Group's Australian distribution channels, including its digital channels, contact centres and store network. Under the terms of the proposed strategic alliance, Suncorp Group will continue to earn income on the distribution of life insurance.

There are risks associated with undertaking potential divestments, such as the Transaction. Refer to sections 2.15 and 2.16 of the "Risks" section below.

The Transaction marks the completion of a comprehensive strategic review into Suncorp's Australia life insurance business. The review considered a number of options for the business, from a retain and optimise scenario, through to a partnership or sale of the business. The strategic review of the Australian life insurance business has no impact on the life insurance business in New Zealand.

3 Risk management

Suncorp Group recognises that strong risk culture, good governance and effective risk management are essential to achieving Suncorp's strategy and maintaining its social license to operate. The Enterprise Risk Management Framework lays the foundation for Suncorp's approach to risk management and will continue to evolve in support of Suncorp's strategy and operating environment.

Each APRA-regulated entity within Suncorp Group has its own board-approved Risk Appetite Statement which has separate tolerances for capital sufficiency, the maintenance of credit ratings and a range of key risk drivers. See "Risks – Risks associated with the Issuer and Suncorp Group" below.

3.1 Capital management

Suncorp Group's capital management strategy is to optimise shareholder value by managing the level, mix and use of capital resources. The primary objective is to ensure there are sufficient capital resources to maintain and grow the business, in accordance with risk appetite. Suncorp Group is subject to, and complies with, external capital requirements set and monitored by APRA and the Reserve Bank of New Zealand ("RBNZ").

Suncorp Group maintains capital within each of the regulated operating entities and the holding companies sitting above them. Suncorp's Internal Capital Adequacy Assessment Process ("ICAAP") provides the framework to ensure that the Suncorp Group, as a whole and each Regulated Entity, is capitalised to meet both internal and external requirements. If it is determined that additional capital is required within one of the Regulated Entities, the Issuer will either inject capital or arrange for capital to be redeployed from other entities that have excess capital to target, to that subsidiary. The ICAAP is reviewed regularly and, where appropriate, adjusted to reflect changes in Suncorp Group's capital requirements.

For regulatory purposes, capital is classified as follows:

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

² The final loss on sale will be determined at completion and will be impacted by the business performance, transaction and separation costs, and final taxation impacts.

with certain reserves; and

- Total Capital, which is the sum of Tier 1 Capital and Tier 2 Capital.

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

The Issuer's NOHC Authorisation prescribes what constitutes regulatory capital of the Issuer at the NOHC level. It does not recognise Tier 2 Capital at the NOHC level. However, APRA has advised that it permits the Issuer to use the proceeds of the issue of the Notes to fund Tier 2 Capital of one or more Regulated Entities within the Suncorp Group, provided the Notes themselves comply with the eligibility criteria for Tier 2 Capital instruments set forth in APRA's Prudential Standards for general insurers.

Suncorp Group aims to pay annual dividends based on a target payout ratio of 60% to 80% of cash earnings. For the 2018 financial year, the board of directors committed to increase the payout ratio above the top end of the usual range to look through the impact on cash earnings of the accelerated strategic investment to deliver key components of the Marketplace.

Suncorp Group maintains a strong capital position with all three regulated businesses holding CET1 Capital in excess of targets:

- The General Insurance businesses' CET1 position was 1.37 times the prescribed capital amount ("PCA") as at 30 June 2018, above its target operating range of 1.0 - 1.2 times PCA.
- The Bank's CET1 Ratio was 9.07% as at 30 June 2018, above its target operating range of 8.5% - 9.0%.
- The Life businesses' CET1 position was 1.99 times the PCA as at 30 June 2018, with A\$152 million excess to target.
- An additional A\$169 million of excess CET1 was held in the Issuer (NOHC) and other corporate service entities as at 30 June 2018.

Suncorp Group's excess to CET1 target was A\$448 million and its excess Total Capital to target was A\$1,010 million both as at 30 June 2018 after adjusting for the final dividend.

As noted in section 2.2.4 of the "Description of the Issuer" section, subject to completion of the sale of the Australian life insurance business, Suncorp Group anticipates returning approximately A\$600 million to shareholders. Any capital return would be subject to APRA and other required approvals. Following the proposed return of capital, Suncorp Group's capital position is expected to remain in excess of its target levels.

3.2 General insurance reinsurance

General Insurance customers and the capital base of the Suncorp Group are protected by a reinsurance programme that stabilises earnings otherwise exposed to volatility arising from natural hazards and other individual losses. Core to this programme is the main catastrophe program, the natural hazards aggregate protection and several quota share arrangements. This programme is placed with a strong panel of reinsurers with over 85% protected by reinsurers rated 'A+' or better.

The main catastrophe reinsurance program covers all perils to which Suncorp is exposed covering home, motor and commercial property portfolios across Australia and New Zealand for major events. The current program provides reinsurance protection for losses up to A\$7.2 billion for the 2019 financial year. Suncorp's maximum event retention remains at A\$250 million for the first event in Australia. Additional protection has been purchased to reduce this retention to A\$200 million for a second Australian

event and to A\$50 million for third and fourth Australian events during the financial year. For New Zealand, Suncorp has purchased cover to reduce the first event retention to NZ\$50 million and the second and third event retentions to NZ\$25 million.

To reduce the potential volatility of future losses from natural hazards, Suncorp also purchases a natural hazards aggregate protection. This provides A\$300 million of cover for events greater than A\$10 million once aggregate costs have reached A\$504 million.

Suncorp maintains a 30% multi-year quota share arrangement covering the Queensland home insurance portfolio. Suncorp maintains strong market share within this market and the quota share reduces concentration risk in this region. Suncorp has a 50% quota share in place for its retained share of CTP business in ACT and South Australia. From 1 July 2018 Suncorp has implemented an additional 50% quota share on large global property risks. Other quota share arrangements continue to be investigated and implemented where they provide sufficient capital and earnings benefits to offset the profit ceded to reinsurance partners.

3.3 Investments

Suncorp Group's primary investment objective is to optimise returns relative to investment risk appetite. This process inherently has regard to the insurance liabilities and capital that the investment assets are supporting and seeks to substantially offset the associated interest rate and manage claims inflation risks. Investment grade fixed interest securities and inflation-linked bonds play a central role in achieving this objective.

Suncorp's Responsible Investment Policy will see the progressive integration of environmental, social and governance issues in investment processes.

4 Regulation

Suncorp Group is subject to ongoing oversight by a number of regulatory authorities in Australia and New Zealand including APRA, the Reserve Bank of Australia ("RBA"), ASIC, the Australian Competition and Consumer Commission ("ACCC"), the Australian Transaction Reports and Analysis Centre ("AUSTRAC"), the Australian Taxation Office ("ATO"), RBNZ, the Financial Markets Authority ("FMA") and New Zealand Commerce Commission ("NZCC").

As a provider of general insurance, banking, life insurance and superannuation products, Suncorp Group is subject to ongoing oversight by financial services regulators with the prudential regulator in Australia being APRA and RBNZ in New Zealand.

4.1 APRA (Australia)

APRA regulates companies operating in the Australian financial services industry and has established Prudential Standards for all general insurers, banks, life insurance companies and superannuation entities.

Suncorp Group is required to comply with APRA's application of the Basel III framework as reflected in the Prudential Standards (for regulated banking entities) and APRA's capital standards for general insurers and life insurers.

APRA has also implemented requirements for governance, risk management and risk exposure components of the framework for supervision of banking and insurance conglomerate groups, which is applicable to Suncorp Group.

4.2 RBNZ (New Zealand)

RBNZ is the regulator of insurance businesses in New Zealand under the *Insurance (Prudential Supervision) Act 2010* ("IPSA").

IPSA sets out insurer licensing requirements in New Zealand which include disclosure of financial strength ratings and compliance with solvency, risk management and governance standards. Suncorp's insurance businesses in New Zealand hold IPSA licences where required.

Risks

Investors must take or obtain their own advice with respect to investment and other risks.

This section describes only some of the risks of investing in the Notes, the Issuer and Suncorp Group. It does not describe all of the risks and is not an exhaustive statement of all of the risks that might emerge. The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. However, the risks are not listed in order of likelihood of occurrence or impact and there is no guarantee that the importance of different risks will not change or that other risks will not emerge.

Investors should carefully consider these risk factors, together with the other information in this Information Memorandum, before deciding whether to invest in Notes. If you are in any doubt about the risks associated with an investment in the Notes, you should consult your own professional, financial, legal and tax advisers about such risks and the suitability of investing in the Notes in light of their particular circumstances.

1 Risks associated with the Notes

Notes are not:

- deposits with, or deposit liabilities of, SML or any other member of the Suncorp Group;
- protected accounts for the purposes of the depositor protection provisions of the Banking Act or the financial claims scheme established under the Banking Act;
- protected policies for the purposes of the policyholder protection provisions of the Insurance Act;
- policies of any member of the Suncorp Group for purposes of the Insurance Act or protected policies for the purposes of the policyholder protection provisions of the Insurance Act;
- policies with any member of the Suncorp Group for the purposes of the Life Insurance Act;
- guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction;
- guaranteed by any member of the Suncorp Group; or
- secured over any of the Issuer's, or any member of the Suncorp Group's, assets.

If the Issuer fails to perform its obligations in respect of the Notes, investors may lose their investment.

1.1 Market price and liquidity of Notes

The market price of the Notes may fluctuate due to various factors, including investor perceptions, Australian and international economic conditions, changes in interest rates, credit margins, foreign exchange rates, credit ratings and capital markets, and other factors that may affect the Suncorp Group's financial performance and capital position. There is a risk that one or more of these factors will cause the market value of the Notes to decline and trade at a market price below the Face Value. The occurrence of a Non-Viability Trigger Event is also likely to cause the market price of the Notes to decline.

The market price of the Notes may be more sensitive to changes in interest rates and credit spreads than the price of Ordinary Shares or comparable securities issued by members of the Suncorp Group or other entities.

The Notes are not traded on any securities exchange, and pricing information for the Notes may be more difficult to obtain than Ordinary Shares or comparable securities issued by members of the Suncorp Group or other entities. While the Notes may be lodged in the Austraclear System, the Austraclear System does not provide a price discovery mechanism in respect of the Notes.

As a result, Holders who wish to sell their Notes before the Maturity Date may incur loss if the Notes trade at a market price below the amount at which the Notes were acquired. The Issuer is unable to

forecast or guarantee the market price of the Notes. Unlike Ordinary Shares, the Notes do not provide a material exposure to growth in the Suncorp Group's business.

There is no guarantee that a liquid market will develop for Notes and there is a risk that there may be no liquid, or any market for Notes. Any market for the Notes may also be less liquid than the market for Ordinary Shares or comparable securities issued by members of the Suncorp Group or other entities and may be volatile. The liquidity of the Notes may also be affected by restrictions on offers and sales of the Notes in some jurisdictions. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market at prices higher than the relevant investor's initial investment. Accordingly, in establishing their investment strategy, investors should ensure that the term of the Notes is in line with their future liquidity requirements.

The Notes may Convert into Ordinary Shares in certain circumstances described in the Terms. See "Market price and liquidity of Ordinary Shares" below.

1.2 Exposure to Suncorp Group's financial performance and position

There is a risk that, if Suncorp Group's financial performance or position declines, or if market participants anticipate that it may decline, an investment in Notes could decline in value even if the Notes have not been Converted. Accordingly, when you evaluate whether to invest in Notes, you should carefully evaluate the investment risks associated with an investment in Suncorp Group.

1.3 Notes are unsecured and subordinated obligations

The Notes are unsecured and subordinated obligations of the Issuer.

The Notes are claims on the Issuer, a NOHC of the companies in the Suncorp Group. The majority of the Issuer's assets consist of investments in companies which are other members of the Suncorp Group. The Issuer's claims in respect of those investments rank behind the relevant company's depositors, policyholders and other creditors (as the case may be) in a winding-up of those companies. Holders have no claim on any other member of the Suncorp Group for payment of any amount in respect of Notes.

There is a risk, that if the Issuer is wound-up, a Holder may not receive a return of their investment. The Notes are issued by the Issuer in accordance with the Terms. A Holder has no claim on the Issuer in respect of the Notes, except as provided in the Terms.

In a winding-up of the Issuer, if the Notes have not been Converted or Written-Off on account of a Non-Viability Trigger Event, the Notes are subordinated and Holders rank behind Senior Ranking Creditors. The Notes will rank equally with, and shall be paid in proportion to, the claims of Equal Ranking Creditors. The Notes will rank ahead only of the claims of Junior Ranking Creditors. Holders will lose their investment in Notes, and any Interest due and unpaid at that time, if there are insufficient assets to satisfy Senior Ranking Creditors in a winding-up of the Issuer.

If a Non-Viability Trigger Event occurs and the Notes are Converted, Holders will rank equally with other holders of the Ordinary Shares for the return of any surplus assets in a winding-up of the Issuer after payment of all creditors and holders of any preference shares. If the Ordinary Shares to which certain Holders would have been entitled upon Conversion are issued to a Nominee, because the Holders are either Ineligible Holders or they elected not to receive Ordinary Shares (and other reasons set out in the Terms), such Holders will have the right to receive the cash proceeds of the sale of the Ordinary Shares on market, and will have no claim against the Issuer or any other member of the Suncorp Group in respect of their Notes. If the Notes are unable to be Converted for any reason within 5 Business Days of the Non-Viability Trigger Event, they will be immediately and irrevocably Written-Off and the rights of Holders under the Notes will be terminated and Holders will have no claim on the assets of the Issuer or any other member of the Suncorp Group.

Although the Notes may pay a higher rate of Interest than comparable securities and instruments which are not subordinated, there is a significant risk that Holders will lose all or some of their investment in Notes should the Issuer become insolvent.

1.4 All payments on the Notes are subject to satisfaction of the Solvency Condition

All of the Issuer's obligations to make payments in respect of the Notes are subject to the Solvency Condition being satisfied.

If the Solvency Condition is not satisfied, that is, if the Issuer is not able to pay its debts as they become due and payable and the Issuer's assets do not exceed its liabilities, both at the time of making the payment and immediately after making the payment, no payment will be made.

The Issuer's failure to pay will not be an Event of Default and any unpaid amount will remain a debt owing (generally, any amount of Interest which is not paid accumulates and accrues Interest at the Interest Rate in accordance with clause 3 of the Terms) and will be payable on the first Interest Payment Date (in the case of Interest) or the first date (in the case of any other amount) on which the Issuer may pay the amount in compliance with the Solvency Condition. However, if a Non-Viability Trigger Event occurs and the Issuer is required to Convert the Notes, the Issuer's accrued and future obligations to make payments in respect of the Notes which are required to be Converted will cease, in which case, Holders will have no rights to recover any unpaid amounts.

1.5 Changes in the Interest Rate

The Interest Rate is calculated for each Interest Period by reference to the Bank Bill Rate, which is a benchmark floating interest rate for the Australian money market. The Bank Bill Rate is influenced by a number of factors and varies over time. The Interest Rate will fluctuate and may increase or decrease over time as a result of movements in the Bank Bill Rate. The Issuer does not control the Bank Bill Rate nor the means by which it is determined, which may change.

As the Interest Rate fluctuates, there is a risk that it may become less attractive when compared to the rates of return available on comparable securities issued by the Issuer, other members of the Suncorp Group or other entities.

1.6 Conversion may not result in the issue of Ordinary Shares with a market value equivalent to the principal amount of Notes

If a Non-Viability Trigger Event occurs and the Notes are required to be Converted, Holders will receive a number of Ordinary Shares based on a volume-weighted average price calculation over a period of days prior to the Non-Viability Trigger Event, subject to a Maximum Conversion Number. The Ordinary Shares issued on Conversion may not be able to be sold at the same price as the VWAP basis on which the Conversion Number has been calculated, or at all. Further, there are no conditions to Conversion and the number of Ordinary Shares received may be limited to the Maximum Conversion Number, the market value of which may be much less than the amount of the Holder's investment (see further "Conversion following a Non-Viability Trigger Event" below).

A Non-Viability Trigger Event could occur at any time. Accordingly, a Conversion on account of a Non-Viability Trigger Event may occur on dates not previously contemplated by Holders, which may be disadvantageous in light of market conditions or their individual circumstances.

1.7 Conversion following a Non-Viability Trigger Event

If a Non-Viability Trigger Event occurs, the Issuer may be required to Convert some or all Notes into Ordinary Shares. Where a Non-Viability Trigger Event requires only some of the Issuer's Relevant Subordinated Instruments to be converted or written-off (that is, where the Non-Viability Trigger Event does not involve APRA determining that the Issuer would become non-viable without a public sector injection of capital or equivalent support), Relevant Tier 1 Capital Instruments would be required to be converted ahead of the Notes. In that case, if conversion of Relevant Tier 1 Capital Instruments is not sufficient to satisfy APRA that the Issuer would not become non-viable, then some or all of the Notes and any other Relevant Term Subordinated Instruments would be required to be converted. As at the date of this Information Memorandum, the Issuer's Relevant Tier 1 Capital Instruments on issue are CPS3, Capital Notes and Capital Notes 2 (each as defined in the Terms), but it has no obligation to keep them on issue while the Notes are outstanding. If there are no Relevant Tier 1 Capital Instruments on issue and a Non-Viability Trigger Event occurs, the Notes would be required to be Converted (along with some or all of any other Relevant Term Subordinated Instruments). Where a Non-Viability Trigger Event involves APRA determining that the Issuer would become non-viable without public sector injection of capital or equivalent support, all Notes must be Converted.

Holders should be aware that a Non-Viability Trigger Event could occur at any time. It could occur on dates not previously contemplated by them or which may be unfavourable in light of then prevailing market conditions or Holders' individual circumstances. Whether or not a Non-Viability Trigger Event will occur is at the discretion of APRA and the Issuer has no obligation to take steps to avoid non-viability. APRA has not provided guidance as to how it would determine non-viability. Non-viability could

be expected to include serious impairment of the Issuer's financial position and insolvency; however, it is possible that APRA's definition of non-viability may not necessarily be constrained to solvency measures or capital ratios and APRA's position on these matters may change over time. Non-viability may be significantly impacted by a number of factors, including factors which affect the business, operation and financial condition of the Issuer. For instance, systemic and non-systemic macro-economic, environmental and operational factors, globally and in Australia and New Zealand, may affect the viability of the Issuer.

If a Non-Viability Trigger Event occurs and the Notes are Converted, Holders are obliged to accept Ordinary Shares or have such Ordinary Shares issued to a Nominee to be sold on their behalf. The Nominee will have no duty in relation to the price or terms of such a sale. See "Summary – Issue of Ordinary Shares to a Nominee".

The number of Ordinary Shares a Holder will receive is limited to the Maximum Conversion Number. The Maximum Conversion Number is the number of Ordinary Shares into which the Note would Convert assuming a price for Ordinary Shares which is the VWAP over a period of approximately 20 ASX trading days before the Issue Date multiplied by 0.2. If the market price of Ordinary Shares is less than that amount at the point of Conversion, the number of Ordinary Shares issued will be only the Maximum Conversion Number. The number of Ordinary Shares is likely to have a market value less than the principal amount of a Note, and Holders will suffer loss as a result. The Maximum Conversion Number may be adjusted to reflect a consolidation, division or reclassification, or pro rata bonus issue, of Ordinary Shares. However, no adjustment will be made to it on account of other transactions which may affect the price of Ordinary Shares, including for example rights issues, returns of capital, buy-backs or special dividends. The Terms do not limit the transactions that the Issuer may undertake with respect to its share capital and any such action may increase the risk that Holders receive only the Maximum Conversion Number and so may adversely affect the position of Holders.

Ordinary Shares issued on account of a Non-Viability Trigger Event may not be quoted on ASX.

If for any reason Conversion does not occur within 5 Business Days of the Trigger Event Date, the Notes will be Written-Off and all rights of Holders in respect of Notes (including to Interest and payment of Face Value and to be issued with the Conversion Number of Ordinary Shares) are immediately and irrevocably terminated on and from the Trigger Event Date. Holders will suffer loss as a result. The circumstances where the Issuer fails to Convert Notes would include where the Issuer is prevented by applicable law (e.g. shareholding laws) from issuing Ordinary Shares but are not limited to those circumstances.

1.8 Acquisition of the Issuer

There is a risk that Notes may be affected by merger and acquisition activity affecting the Issuer. The Issuer is an ASX-listed company and may be acquired by, or merge with, another company or group of companies, potentially resulting in a change of control. The outcome for Holders of such activity may be uncertain and they may suffer loss or face increased risks in holding the Notes.

If an Acquisition Event involving an Approved Acquirer occurs as described in "Summary – Substitution of Approved Acquirer" above, the Issuer may (but is not obliged to) without the consent of the Holders, but subject to the prior approval of APRA, amend the Terms such that the Approved Acquirer is substituted as the issuer of the ordinary shares to be delivered upon Conversion. If the Terms are amended in this way, Holders will be obliged to accept the Approved Acquirer Ordinary Shares and will not receive the Issuer's Ordinary Shares on Conversion. The value of the Approved Acquirer Ordinary Shares and the ability of the Holder to dispose of them may differ from that of the Ordinary Shares that would have been issued had the Acquisition Event not occurred, and the effect of the substitution of the Approved Acquirer may have an adverse effect on the price of the Notes.

If the Issuer is acquired by another entity and delisted, and substitution of an Approved Acquirer as the issuer of the ordinary shares to be delivered upon Conversion is not effected under the Terms for whatever reason and a Non-Viability Trigger Event occurs, the Notes may be required to be Converted into unlisted Ordinary Shares in the Issuer, which may affect the ability of Holders to sell them as well as the price at which they may be sold. Where Notes are Converted into unlisted Ordinary Shares in the Issuer, the price for conversion would reflect the last traded price of the Issuer's Ordinary Shares which may bear no relation to their value on the occurrence of a Non-Viability Trigger Event. In addition, there will be no market for unlisted Ordinary Shares, or they may not be able to be sold at their issue price, or at all.

1.9 Risks with acquiring Ordinary Shares on Conversion

There is a risk that a Holder may, by acquiring any Notes (taking into account any Ordinary Shares into which they may Convert), breach applicable restrictions on ownership.

Laws, including the *Financial Sector (Shareholdings) Act 1998* (Cth), restrict ownership by people (together with their associates) of general insurer holding companies, such as the Issuer, to a 15% stake. A shareholder may apply to the Australian Treasurer to extend their ownership beyond 15% but approval will not be granted unless the Treasurer is satisfied that a holding by that person of greater than 15% is in the national interest. The Australian government has recently proposed measures to increase the 15% threshold to 20%.

Mergers, acquisitions and divestments of Australian public companies listed on ASX (such as the Issuer) are regulated by detailed and comprehensive legislation and the rules and regulations of ASX. These provisions include restrictions on the acquisition and sale of relevant interests in certain shares in an Australian listed company under the Corporations Act and a requirement that acquisitions of certain interests in Australian listed companies by foreign interests are subject to review and approval by the Treasurer. In addition, Australian competition law regulates acquisitions which would have the effect, or be likely to have the effect, of substantially lessening competition in a market.

Investors should take care to ensure that, by acquiring any Notes (taking into account any Ordinary Shares into which they may Convert), they do not breach any applicable restrictions on ownership and should seek professional guidance from their solicitor, accountant or other independent qualified professional adviser in relation to their obligations.

If the acquisition or Conversion of Notes by any Holder or a Nominee would breach applicable restrictions on ownership then, in addition to other sanctions for these breaches under applicable law, the Issuer may be prevented from Converting such Notes and where Conversion is required such Notes may be required to be Written-Off. The Holder may suffer loss as a result.

1.10 Market price and liquidity of Ordinary Shares

Any Ordinary Shares issued on Conversion will rank equally with existing and future Ordinary Shares, so the ongoing value of Ordinary Shares received will depend on the market price of Ordinary Shares after Conversion.

The market price of Ordinary Shares may fluctuate due to various factors, including investor perceptions, Australian and international economic conditions, credit ratings and Suncorp Group's financial performance and position. Investors should carefully evaluate the investment risks associated with an investment in the Issuer and the Suncorp Group (see "Risks associated with the Issuer and Suncorp Group" above).

If Notes are Converted into Ordinary Shares, there is a risk that the market price of the number of Ordinary Shares received per Note on Conversion may be less than the Face Value of the Note and will also fluctuate due to any of the many factors that may affect the price of an Ordinary Share. There is also a risk that there may be no liquid market for Ordinary Shares at the time of Conversion, or the market at the time of Conversion may be less liquid than that for comparable securities issued by other entities. As a result, Holders of Notes who wish to sell Ordinary Shares on Conversion may be unable to do so at a price acceptable to them, or at all. See also "Conversion following a Non-Viability Trigger Event" above.

There is also no guarantee that Ordinary Shares will remain continuously quoted on ASX, or that Ordinary Shares issued on Conversion will be quoted on ASX at all. Trading in ASX-listed securities may be suspended in certain circumstances, or may cease altogether.

1.11 The Issuer may Redeem the Notes early in certain circumstances

The Issuer may (subject to APRA's prior written approval, which is in its discretion and may not be given) elect to Redeem:

- some or all of the Notes on 5 December 2023 or any subsequent Interest Payment Date; or
- upon the occurrence of a Tax Event or a Regulatory Event, all (but not some) of the Notes (if the Issuer did not expect on the Issue Date that the event would occur). See "Summary – Tax Event and Regulatory Event".

Notes will be Redeemed at their Face Value of A\$10,000 per Note (plus any accrued and unpaid Interest). There is a risk that the amount received on Redemption may be less than the then current market value of Notes. The timing of any Redemption may not accord with a Holder's individual financial circumstances or tax position.

1.12 No rights for Holders to request or require Redemption or acceleration of repayment

Holders have no right to request or require Redemption or to accelerate repayment of their Notes prior to the Maturity Date (except where an order has been made or an effective resolution passed for the winding-up of the Issuer). Therefore, prior to the Maturity Date, unless the Issuer elects to Redeem the Notes (subject to APRA's prior written approval, which is in its discretion and may not be given), Holders can only realise their investment in the Notes by selling them at the prevailing market price.

There is a risk that the prevailing market price will be less than the Face Value of the Notes and/or that the market for the Notes may not be liquid. The Issuer does not guarantee that the Notes may be sold at an acceptable price, or at all. Brokerage fees may be incurred if the Notes are sold through a broker. Losses may be suffered as a result.

1.13 The Issuer may fail to pay Face Value, Interest or other amounts

There is a risk that the Issuer may not pay when scheduled or default on payment of some or all of the Face Value, Interest or other amounts payable on the Notes. If the Issuer does not pay the amount owing, Holders may lose some or all of the money invested in the Notes.

The remedies of the Holders in the event of non-payment are limited. Failure to pay because the Solvency Condition is not satisfied is not an Event of Default.

If an amount is not paid when the Solvency Condition is satisfied, that is an Event of Default and if that occurs and continues unremedied, the Holder may institute proceedings:

- (a) to recover any amount then due and payable but unpaid on the Notes;
- (b) to obtain a court order for specific performance of any other obligation in respect of the Notes;
or
- (c) for the winding-up of the Issuer.

The Holders are not entitled to accelerate payment on account of such non-payment or other breach by the Issuer of its obligations.

There is a risk that the entire amount owed may not be recovered even if the Holder institutes proceedings against the Issuer. Further, although the Terms may specify certain remedies (for example, seeking an order for the winding-up of the Issuer), the grant of those remedies may be in the discretion of the court, and as such may not be granted.

1.14 No restriction on future issue or redemption of securities

There is a risk that the Issuer may issue other securities that may affect the return that a Holder receives on their investment in Notes. The Notes do not in any way restrict the Issuer and other members of the Suncorp Group from issuing further securities, or incurring further indebtedness, including indebtedness ranking ahead of or equally with the Notes. The Notes do not in any way restrict the Issuer from buying back or redeeming other securities whether issued now or in the future including other securities which rank equally with or junior to the Notes, or from making dividend or other payments in respect of the Ordinary Shares, or from reducing its capital. The Notes also do not require the Issuer to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity.

An investment in Notes carries no right to participate in any future issue of securities (whether equity, Tier 1 Capital, Tier 2 Capital, subordinated or senior debt or otherwise) by the Issuer.

No prediction can be made as to the effect, if any, which the future issue of securities by the Issuer, or the redemption or repayment of other securities, may have on the market price or liquidity of Notes, on Suncorp Group's financial position or performance or on the likelihood of the Issuer making payments on Notes.

1.15 Regulatory classification and prudential supervision

There is a risk that the position of Holders may be adversely affected due to the regulatory capital treatment of the Notes. APRA has advised that it permits the Issuer to use the proceeds of the issue of the Notes to fund Tier 2 Capital of one or more Regulated Entities within the Suncorp Group.

In order to obtain this regulatory capital treatment, the Terms contain features which may have adverse consequences for Holders. Among other things:

- claims on the Notes rank behind the claims of Senior Ranking Creditors;
- all payments on the Notes are subject to satisfaction of the Solvency Condition;
- the remedies of the Holders in the event of non-payment are limited. Failure to pay because the Solvency Condition is not satisfied is not an Event of Default;
- Holders have no right to request or require Redemption or to accelerate repayment of their Notes prior to the Maturity Date (except where an order has been made or an effective resolution passed for the winding-up of the Issuer);
- the Issuer may be required to Convert Notes into Ordinary Shares or Write-Off the Notes if a Non-Viability Trigger Event occurs;
- APRA's current treatment of the Notes may change and that may give rise to a Regulatory Event entitling the Issuer, with APRA's approval, to Redeem the Notes.

APRA also has the power under applicable law to direct the Issuer or members of the Suncorp Group to (amongst other things) direct the Issuer not to make payments to Holders. In addition, APRA may, in certain circumstances, require the Issuer to transfer all or part of its business to another entity under the *Financial Sector (Transfer and Restructure) Act 1999* (Cth).

1.16 Australian taxation

A general outline of the tax consequences of investing in Notes for certain potential investors is set out in the section entitled "Australian Taxation". This discussion is in general terms, is not intended to provide specific advice addressing the circumstances of any particular potential investor, and the tax laws on which it is based may change.

Accordingly, potential investors should seek independent advice concerning their own individual tax position.

Changes in tax law may be unfavourable for Holders. In particular, they may affect the taxation of Interest, the return of the amount invested, or Ordinary Shares issued on Conversion. They may affect the Issuer so as to give rise to a Tax Event, entitling the Issuer, with APRA's approval, to Redeem the Notes.

1.17 Amendments to the Terms

The Terms may be amended as described in "Summary – Amendments to Terms or the Deed Poll" above. Holders are bound by amendments made in accordance with the Terms even if the Holder does not agree to the changes.

1.18 Changes to credit ratings

The Issuer's and Suncorp Group's cost of funds, margins, access to capital markets and competitive position and other aspects of its performance may be affected by its credit ratings (including any long-term credit ratings or the ratings assigned to any class of their securities). Credit rating agencies may withdraw, revise or suspend credit ratings or change the methodology by which securities are rated.

1.19 No rights to vote

There is a risk that Holders may be affected by corporate decisions made by the Issuer.

Holders have no voting or other rights in relation to Ordinary Shares until Ordinary Shares are issued to them. In addition, the Notes do not confer on Holders any right to subscribe for new securities in the Issuer or to participate in any bonus issue of securities. The rights attaching to Ordinary Shares, if Ordinary Shares are issued, will be the rights attaching to Ordinary Shares at that time. Holders have

no right to vote on or otherwise to approve any changes to the Constitution in relation to the Ordinary Shares that may be issued to them upon Conversion. Therefore, Holders will not be able to influence decisions that may have adverse consequences for them.

2 Risks associated with the Issuer and Suncorp Group

Set out below are business risks associated with the Issuer and Suncorp Group. These are relevant to an investment in the Notes, as the value of your investment will depend on the financial performance and position of the Issuer and Suncorp Group.

The Issuer and Suncorp Group have mechanisms in place whereby they can avoid or reduce some of these risks but the risks (and their impact) may change, or new risks may emerge, over the lifetime of the Notes that are not adequately mitigated by the Issuer or Suncorp Group.

2.1 Regulatory and compliance risk

Suncorp Group is subject to extensive laws and regulations in Australia and New Zealand and is licensed to operate in the various countries, states and territories in which it operates. The Issuer and its subsidiaries are also supervised by a number of different regulatory authorities, which have broad administrative powers over its businesses. In Australia and New Zealand, the relevant regulatory authorities include APRA, RBA, ASIC, ACCC, ATO, AUSTRAC, RBNZ, the FMA and NZCC.

The Issuer and its subsidiaries are responsible for ensuring that they comply with all applicable legal and regulatory requirements (including accounting standards) and industry codes of practice in the jurisdictions in which they operate.

If the Issuer or another member of the Suncorp Group fails to comply with applicable laws and regulations, it may be subject to fines, penalties, restrictions on its ability to do business including additional capital requirements or licence conditions or loss of licence to conduct business or restrictions on its ability to perform its obligations with respect to Notes.

There continues to be domestic and global legislative and regulatory reforms which will, or may, impact Suncorp Group's operations, prospects, performance or financial position in Australia and New Zealand now and in the future. Government and regulator consultations, reviews and inquiries which may result in changes or proposals that could impact Suncorp Group continue to occur.

In particular (but not limited to):

- **Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry ("Royal Commission")** – The Royal Commission was established on 14 December 2017. The focus of the Royal Commission's hearings has been the actions of financial service entities, inquiring into whether any conduct of financial services entities might have amounted to misconduct and whether any conduct, practices, behaviour or business activities of financial services entities fall below community standards and expectations.

Suncorp Group has provided submissions to, and has been called before various rounds of the Royal Commission. The Commissioner is due to provide an interim report no later than 30 September 2018, and will provide a final report by 1 February 2019. Whilst it is anticipated that it is likely that the Royal Commission will make recommendations that may have an impact on the broader financial services industry, it remains too early to predict what legislative or regulatory changes will flow from the Royal Commission and the detailed impact that they may have on the Suncorp Group as well as Suncorp's individual businesses, reputation and financial performance. In addition, inquiries such as the Royal Commission can result in additional costs and can adversely affect investor confidence. Suncorp Group continues to monitor any developments.

- **Federal Government reform initiative** – The federal government has tasked the Productivity Commission to examine each of, the competitiveness and efficiency of the superannuation system ("**Super Review**"), and competition in the banking and financial services sector broadly ("**Financial System Review**"), with a view to improving consumer outcomes while balancing financial stability objectives. The Super Review is being conducted in three stages, with the final report for the first stage published in November 2016. The second and third stages were agreed to being combined, with a draft report released on 29 May 2018 and the final report

expected to be provided to the Australian government for consideration in 2019. On 3 August 2018, the Productivity Commission's final report to the Australian government for the Financial System Review was publicly released. The report considers the provision of financial services and the interaction of market participants, issues facing the consumers of financial services and the functions and activities of the regulators and makes a number of recommendations. The recommendations of both reviews, if implemented, could impact Suncorp Group's structure and businesses.

- **APRA regulatory changes**

On 14 February 2018, APRA released the first two of a series of discussion papers which outline APRA's proposed revisions to the capital framework for authorised deposit-taking institutions ("ADIs") such as SML to ensure that their capital requirements are 'unquestionably strong'. The papers include proposed revisions to the capital requirements framework for Regulated Entities in the context of the finalisation of the Basel III reforms as well as certain other changes to better align the framework to particular risks, including housing lending. APRA currently expects ADIs to meet the new requirements by 1 January 2020 however this timeframe may be deferred to 1 January 2022 to align with the introduction of Basel III. At this stage, pending the finalisation of the consultation process and release of further discussion papers by APRA it is difficult to judge the likely overall impact the reforms may have on the capital position or requirements of the Issuer and Suncorp Group.

On 20 February 2018, the *Treasury Laws Amendment (Banking Executive Accountability and Related Measures) Act 2018* ("**BEAR Measures**") became law. The BEAR Measures seeks to put in place a strengthened responsibility and accountability framework for senior executives and directors of ADIs such as SML. The BEAR Measures may ultimately be extended to other parts of the financial services industry, impacting the Issuer more broadly. Primary risks to the Suncorp Group emerging from the BEAR Measures relate to penalties for breaches and the ability to attract and retain high quality executives.

On 5 March 2018, the *Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018* came into force. The legislation extends the powers of APRA to facilitate the orderly resolution of any crisis affecting the Issuer or members of the Suncorp Group in order to protect the interests of depositors and policyholders, and to protect the stability of the financial system. Additional powers which have been given to APRA and which impact the Suncorp Group include greater oversight, management and directions powers in relation to members of the Suncorp Group, the introduction of statutory management powers over certain members of the Suncorp Group and changes which are designed to give statutory recognition to the conversion or write-off of regulatory capital instruments such as the Notes. The extension of the powers may increase the risk of regulatory action which may impact the holders of regulatory capital instruments such as the Notes.

- **Life insurance industry reforms** – On 22 February 2017 the *Corporations Amendment (Life Insurance Remuneration Arrangements) Act 2017* became law. Broadly, the amendment removes the exemption from the ban on conflicted remuneration for benefits paid in relation to life insurance products and gives ASIC the power to permit benefits in relation to life insurance to be paid to intermediaries, provided certain requirements are met. These reforms will impact Suncorp Group's life insurance and other businesses.

- **Reforms and reviews of the Queensland and New South Wales CTP Schemes** – The New South Wales Parliament passed legislation to reform the state's CTP motor accident insurance scheme. Under the scheme, no-fault statutory benefits will be payable by insurers for motor accidents with preservation of common law rights to damages for seriously injured persons.

The Queensland Government has released its final report to the Motor Accident Insurance Commission ("**MAIC**") in connection with its 2016 Review of Queensland's CTP Insurance Scheme. The report sets out 19 recommendations to maintain or improve the scheme. All 19 recommendations and MAIC's proposed responses have been approved by the Queensland Treasurer and noted by the Queensland Government. The MAIC has initiated a program of work to deliver on the recommendations. The recommendations in the report include that the MAIC further investigate limited risk-rating to identify potential opportunities for improving

price competition and affordability and that, as a matter of priority, the MAIC take action to address the issue of high insurer profits in the scheme. Any changes to the New South Wales or Queensland CTP schemes may have an impact on Suncorp's Insurance (Australia) business.

- **International regulation** – There continues to be proposals and changes by global regulatory advisory and standard-setting bodies, such as the International Association of Insurance Supervisors, the Basel Committee on Banking Supervision, the International Organisation of Securities Commissions and the Financial Stability Board, which, if adopted or followed by domestic regulators, may increase operational and capital costs or requirements.
- **Other foreign regulations** – The Suncorp Group's businesses may be affected by changes to the regulatory framework in other jurisdictions, including the cost of complying with regulation that has extra-territorial application such as the Bribery Act 2010 (UK), FATCA, OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("**CRS**"), the Dodd-Frank Wall Street Reform and Consumer Protection Act 2010 (US) (as amended) and other reforms.

There has also been increased regulator expectation and focus in relation to a number of other areas such as data quality and controls, governance and culture and conduct.

The nature, timing and impact of future regulatory reforms or changes are not predictable and are beyond the Suncorp Group's control. Regulatory compliance and the management of regulatory change is an increasingly important part of the Suncorp Group's strategic planning. Regulatory change may also impact the Suncorp Group's operations by requiring it to have higher levels, and better quality of capital as well as place restrictions on the businesses the Suncorp Group operates or require the Suncorp Group to alter its product or service offerings. If regulatory change has any such effect, it could adversely affect one or more of the Suncorp Group's businesses, restrict its flexibility, require it to incur substantial costs and impact the profitability of one or more of the Suncorp Group's businesses.

Any failure by the Suncorp Group to adequately anticipate and respond to regulatory change could also result in higher costs, sub-optimal processes, adverse financial impacts or reputational damage. Any costs or restrictions arising from regulatory change could adversely affect the Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

2.2 Market risk

Suncorp Group is exposed to market risk as a consequence of both its investments and trading activities in financial markets and through the asset and liability management of its balance sheet. The Suncorp Group is exposed to losses arising from adverse movements in levels and volatility of market factors, including interest rates, foreign exchange rates, equity prices and credit spreads.

Suncorp Group, through its investment portfolios, is exposed to risk and volatility in the markets, securities and other assets in which it invests. Those risks include, but are not limited to:

- asset/liability risk, i.e. the risk that the value of an investment portfolio will decrease relative to the value of the liabilities as a result of fluctuation in investment factors including share prices, interest rates, credit spreads, counterparty default, exchange rates or commodity prices;
- interest rate risk, i.e. the risk of financial loss arising from adverse fluctuations in interest rates, through Suncorp Group's business' financial condition and underlying value of the businesses' assets, liabilities and one-off balance sheet instruments; and Suncorp Group's funding costs, including the availability, cost and terms of hedging by which Suncorp Group manages interest rate risk;
- liquidity risk, including that assets cannot be sold without a significant impairment in value;
- foreign exchange rate risk, whereby adverse movements in exchange rates may affect Suncorp Group's financial position and performance, and the level of capital supporting the Suncorp Group's businesses; and
- inflation risks, i.e. the risk that inflation levels and consequently, claims are higher than expected.

Such risks can be heightened during periods of high volatility, market disruption and periods of sustained low interest rates and could adversely affect Suncorp Group's businesses, financial performance, capital

resources and financial condition. It may also adversely impact the cost of, and Suncorp Group's ability to access, wholesale funding markets, and may result in increased competition for, and therefore the cost of, deposits in Australia.

If Suncorp Group was to suffer substantial losses due to any market volatility, it could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

2.3 Global market and economic volatility

The financial performance of Suncorp Group is significantly affected directly and indirectly by changes in investment markets and economic conditions both globally and in Australia and New Zealand, where Suncorp Group conducts its banking and insurance business.

The financial services industry and capital markets have been, and may continue to be, adversely affected by market volatility, uncertainty as to the outlook for global economic conditions, political or economic instability or catastrophic events. For example, global economic conditions may deteriorate such that: counterparties default on their debt obligations; countries re-denominate their currencies and/or introduce capital controls; one or more major economies collapse; and/or global financial markets cease to operate or cease to operate efficiently. Sovereign defaults may adversely impact Suncorp Group directly, through adversely impacting the value of Suncorp Group's assets, or indirectly through destabilising global financial markets. Any such market and economic disruptions could have an adverse effect on financial institutions, such as Suncorp Group, because consumer and business confidence may decrease, unemployment may rise and demand for the products and services Suncorp Group provides may decline and borrowers' ability to repay their loans may decrease. This could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

2.4 Decline in asset markets

Suncorp Group's performance is influenced by asset markets in Australia, New Zealand and other jurisdictions, including equity, property and other investment asset markets.

Declining asset prices could also impact customers and counterparties and the value of security held against loans and derivatives, which may impact Suncorp Group's ability to recover amounts owing to it if customers or counterparties were to default.

In particular, the residential, commercial and rural property lending sectors are important to the Suncorp Group's banking operations. Overall, the property market has been variable and, in some locations, there have been substantially reduced asset values. Declining property valuations in Australia, or other markets where the Suncorp Group's customers do business could decrease the amount of new lending the Suncorp Group's banking operations are able to write and/or increase the losses that the Suncorp Group's banking operations may experience from existing loans and investments.

2.5 Funding and liquidity risk

Financial institutions (including Suncorp Group) are currently subject to global credit and capital market conditions, which experienced extreme volatility, disruption and decreased liquidity following the global financial crisis.

Suncorp Group's liquidity and funding policies are designed to ensure that it will meet its debts and other obligations as and when they fall due. Although Suncorp Group actively monitors and manages its liquidity and funding positions, there are factors outside of its control which could adversely affect these positions, e.g. if financial markets are closed for an extended period of time. There is no assurance that Suncorp Group will be able to obtain adequate funding at acceptable prices or at all.

If the Suncorp Group's current sources of funding prove to be insufficient, it may be forced to seek alternative funding. The availability of such alternative funding, and the terms on which it may be available, will depend on a variety of factors, including prevailing market conditions, the availability of credit, Suncorp Group's credit ratings and credit market capacity. Even if available, the cost of these alternatives may be more expensive or on unfavourable terms, which could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

2.6 Strategic risks

There are risks associated with the competitive positioning of the business and Suncorp Group's ability to respond in a timely manner to changes in its competitive landscape and protect the value of its brands.

Competitive environment

The financial services industry is highly competitive and, as a result, Suncorp Group faces intense competition in all aspects of its business. Suncorp Group's banking and wealth business competes with retail and commercial banks and its insurance businesses compete with other insurance firms. This includes specialist competitors, such as Fintech businesses, aggregators and comparison websites, which may not be subject to the same capital and regulatory requirements and, therefore, may be able to operate at lower cost.

If Suncorp Group is unable to compete effectively in its various businesses and markets, its market share may decline. Increased competition may also divert business to Suncorp Group's competitors or create pressure to lower margins.

Suncorp Group is also dependent on its ability to offer products and services that match evolving technological advancements, customer preferences, habits and sentiment, including changing dynamics in the use of vehicles. If Suncorp Group is not successful in developing or introducing new products and services or responding or adapting to changes in technological advancements, customer preferences, habits and sentiment, Suncorp Group may lose customers to its competitors or have its customer base eroded. This could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

There is also increased competition from non-traditional financial service companies, such as technology companies offering financial services products. These non-traditional financial service companies can disrupt traditional business models by offering more data driven and comprehensive needs based offerings. As a result, Suncorp Group could lose market share or be forced to reduce prices in order to compete effectively, particularly if both traditional and non-traditional industry participants engage in aggressive growth strategies or severe price discounting.

Dependence on the Australian and New Zealand economies

As Suncorp Group currently conducts its banking and insurance business in Australia and New Zealand, its performance is influenced by the level and cyclical nature of business activity in Australia and New Zealand. This in turn, is impacted by both domestic and international economic and political events. A weakening in the Australian and/or New Zealand economies, and/or in the economic and business conditions of other countries, may have an adverse effect on Suncorp Group's financial condition and on the results of its operations. This includes reduced demand for products and services but also lower investment returns and increased costs, which could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

Execution of strategic initiatives

Suncorp Group is managing the delivery of a number of strategic initiatives, however there is a risk that implementation of these initiatives across Suncorp Group may not realise some or all of the anticipated benefits. Failure to successfully deliver these programs could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

2.7 Change in credit ratings

Credit ratings are opinions on Suncorp Group's creditworthiness. Suncorp Group's credit ratings affect the cost and availability of its funding from capital markets and other funding sources and they may be important to customers or counterparties when evaluating its products and services. Therefore, maintaining high quality credit ratings is important.

The credit ratings assigned to Suncorp Group and its subsidiaries by rating agencies are based on an evaluation of a number of factors, including financial strength, support from members of Suncorp Group and structural considerations regarding the Australian financial system. Credit ratings may not reflect the potential impact of all risks and factors that may affect the value of the Notes. A credit rating downgrade could be driven by the occurrence of one or more of the other events identified as risks in this "Risks" section or by other events, including changes to the methodologies used by the rating agencies to determine ratings.

The Issuer's credit ratings could be affected by amendments to the rating agencies' criteria, including any changes in the number of notches a rating agency deducts for NOHCs relative to their core operating subsidiaries.

If the Issuer, or any member of Suncorp Group, fails to maintain its current credit ratings, this could adversely affect Suncorp Group's cost of funds and related margins, competitive position and its access to capital and funding markets. This could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects. The extent and nature of these impacts depend on various factors, including the extent of any ratings change, whether the ratings of the Issuer, or any member of Suncorp Group, differ among agencies (split ratings) and whether any ratings changes also impact Suncorp Group's peers or the banking and insurance sectors.

2.8 Reputational risk

Suncorp Group's ability to attract and retain customers and investors and its prospects could be adversely affected if Suncorp Group's reputation is damaged.

There are various potential sources of reputational damage including potential conflicts of interest, pricing policies, failing to comply with legal and regulatory requirements, ethical issues, litigation, , improper sales and trading practices, or personnel and supplier policies, improper conduct of companies in which it holds strategic investments, technology failures, security breaches and risk management failures. Suncorp Group's reputation could also be adversely affected by the actions of the financial services and allied industries in general or from the actions of its customers and counterparties.

Failure to appropriately address issues that could, or do, give rise to reputational damage could also give rise to additional legal risks, subject Suncorp Group to regulatory enforcement actions, fines and penalties and could lead to loss of business, which could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

2.9 Credit risk

Credit risk is a significant risk and arises primarily from Suncorp Group's lending, reinsurance and investment activities. The risk arises from the likelihood that some customers and counterparties will be unable to honour their obligations to Suncorp Group, including the repayment of loans and interest.

Credit risk also arises from certain derivative contracts Suncorp Group enters into and, from its dealings with and holdings of debt securities issued by other banks, financial institutions, companies, governments and government bodies, the financial conditions of which may be impacted, to varying degrees, by economic conditions in global financial markets.

Suncorp Group's banking operations hold collective and individually assessed provisions for its credit exposures. If economic conditions deteriorate, some customers and/or counterparties could experience higher levels of financial stress and Suncorp Group may experience a significant increase in defaults and write offs and be required to increase its provisioning.

Deterioration in economic conditions, inadequate provisioning or a significant breakdown in credit disciplines could diminish available capital and could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

2.10 Insurance risk

There are risks associated with the Suncorp Group's insurance businesses, including exposure to the risk of financial loss and the inability to meet liabilities due to inadequate insurance product design, pricing, underwriting, concentration risk, reserving, claims management and/or reinsurance management.

Estimation of claims provisions

Suncorp Group's provisions for insurance liabilities may prove to be inadequate to cover its ultimate liability under policies written by its insurance subsidiaries. Within the Insurance (Australia) and New Zealand functions, general insurance provisions for outstanding claims and unearned premiums are maintained to cover the estimated ultimate liability for claims, including claims handling expenses. Although Suncorp Group seeks to maintain provisions across its general insurance businesses at a high probability of adequacy, the estimation of claims provisions is inherently uncertain so, there remains a

chance that the ultimate cost of claims will be higher, perhaps significantly. The estimates are based on actuarial and statistical methodologies made on the basis of facts and circumstances known at a given time and estimates of trends into the future. Potential causes of inadequate estimates include a greater than estimated number of future claims reported, wage inflation greater than forecast, increased costs as a result of new legal precedents, changes in exchange rates or increased cost of goods and services for repairs. Insufficient provisions for insurance liabilities could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

The Insurance (Australia) and New Zealand functions also maintain life insurance provisions for future policy benefits and maintenance expenses. These are subject to risks in estimating the adequacy of the provisions, similar to those outlined above.

Certain product classes of life and general insurance offered by the Suncorp Group may also be subject to the emergence of new types of latent claims. An example is claims arising from historical asbestos exposure. The impact from latent claims can be substantial and can adversely affect the Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

Catastrophes

Through its insurance businesses, Suncorp Group deals with claims arising from catastrophic events predominantly in the Australia and New Zealand regions including, but not limited to, cyclones, earthquakes, wind, fires, hail, floods, pandemics, volcanic activity and bushfires, in addition to man-made disasters. It is not possible to predict the timing or severity of catastrophes which will also be impacted by climate change. Claims arising out of catastrophes can be substantial and could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects. Suncorp Group manages its exposure to catastrophes through the purchase of catastrophe reinsurance, and holding appropriate capital which is required to meet APRA requirements in Australia. It is subject to the same reinsurance risks as outlined below.

Climate change may impact on claims volumes and subsequently, the cost of claims.

Reinsurance

Suncorp Group enters into a number of reinsurance arrangements. These arrangements allow Suncorp Group to limit its risk from particular lines of business or from specific events and to increase its capacity to write new policies. Under these arrangements, other insurers and reinsurers assume a portion of Suncorp Group's exposure to reported and unreported losses, in exchange for a premium. The availability, amount and cost of reinsurance capacity depends on prevailing market conditions, the credit ratings of reinsurance counterparties and previous loss experience and this can vary significantly.

From time to time, market conditions may limit, and in some cases prevent, Suncorp Group from obtaining the types and amounts of reinsurance considered adequate for its business needs. Accordingly, Suncorp Group may not be able to obtain desired amounts of reinsurance at prices acceptable to it or at all. In addition, even if Suncorp Group is able to obtain such reinsurance, it may not be able to negotiate terms that it deems appropriate or acceptable or to obtain such reinsurance from entities with satisfactory creditworthiness.

There are risks associated with the determination of proper levels of reinsurance protection, the cost of such reinsurance and the financial security of reinsurers. While modelling is used to assist with determining adequate coverage, there can be no assurance that Suncorp Group's current reinsurance coverage is adequate, that it matches the underlying risks assumed or that increases in reinsurance costs will be able to be fully recovered through increased premium rates.

Suncorp Group is also exposed to the risk that its reinsurers may default on any obligation to pay valid claims. In addition, Suncorp Group may take a considerable period to collect on reinsurance receivables, and reinsurers may dispute its claims, even if valid. Despite the use of reinsurance, the Suncorp Group is primarily liable to policyholders and so, a failure by a reinsurer to make payment, for whatever reason, could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

2.11 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. As a financial services organisation, Suncorp Group is exposed to a

variety of operational risks such as workplace safety, project and change management, compliance, business continuity and crisis management, key person dependencies, internal and external fraud and other dishonest activities, data risk, information and systems resilience as well as reliance on partners, suppliers and outsourcing. While Suncorp Group has adopted policies and procedures to control exposure to, and limit the extent of, these risks, there are inherent limitations in any risk management control system and control breakdowns can occur.

Suncorp Group relies, to a significant degree, on information technology systems to undertake most of its business operations. The information technology systems are essential to maintaining effective communication with customers, compliance, protecting customer and business data and keeping pace with the competitive environment.

Suncorp Group has disaster recovery and systems development roadmaps in place to mitigate some of these risks. However, any failure in Suncorp Group's information technology systems could result in business interruption, the loss of customers, damaged reputation and weakening of its competitive position.

Suncorp Group also relies, to a significant degree, on the provision of services from outsourced providers undertaking activities on its behalf. Suncorp Group has risk management mechanisms in place to suitably address these considerations however note that a failure of one or more of these outsourced partners can have a material adverse impact on the, performance and reputation of the Suncorp Group.

2.12 Model risk

Suncorp Group uses models to make material decisions in relation to its business. If Suncorp Group does not identify or correct fundamental errors in its models, they may produce invalid outputs for the intended business use. This is referred to as model risk. A lack of veracity in models, the complexity of models or erroneous assumptions with respect to economic modelling could result in material financial impacts emanating from errors in reserving, pricing, capital or reinsurance.

2.13 Accounting standards, accounting estimates and adjustments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Examples include the accounting treatment of intangible assets and impairment. Where revisions are made to accounting estimates, any financial impact is recognised in the period in which the estimate is revised. However, these accounting policies may be applied inaccurately, resulting in a misstatement of financial position and results of operations.

New accounting standards or amendments to existing accounting standards issued by either the International Accounting Standards Board or Australian Accounting Standards Board may affect the reported earnings and financial position of the Issuer or the Suncorp Group in future financial periods. As accounting standards are revised or introduced, the potential impact may result in adjustments to historical numbers for comparative reasons and the basis by which financial performance is reported and managed.

2.14 Structural subordination

The Issuer is a holding company which owns or holds interests in a group of banking, general insurance, and life insurance companies in Australia and New Zealand. In the event that a subsidiary of the Issuer is wound up, the claims of the Issuer in respect of the subsidiary would be limited to the net assets (if any) of that subsidiary after all liabilities, including to policyholders and deposit holders, have been discharged or provided for.

In addition, the Issuer is reliant on the continued receipt of dividends or other funding from its subsidiaries to make payments on its securities. The ability of the Issuer's subsidiaries to pay dividends, or to otherwise make funds available to the Issuer, may in certain circumstances be subject to regulatory, contractual or legal restrictions.

2.15 Mergers, acquisitions and divestments

Suncorp Group may engage in merger, acquisition or divestment activities which facilitate Suncorp Group's strategic direction. These activities may involve entering new markets, exiting products and/or offering third party manufactured products or expanding Suncorp Group's current product suite and may affect Suncorp Group's risk profile through changes to, or to the relative importance of, the geographies and/or product types to which it has exposures. While Suncorp Group recognises that benefits may arise from merger, acquisition or divestment activities, significant risks also exist in both the execution and implementation of such activities.

It is likely that Suncorp Group would raise additional debt or raise equity to finance any major merger or acquisition and this would cause Suncorp Group to face the financial risks and costs associated with additional debt or equity.

Mergers, acquisitions or divestments may require changes to operations or personnel and may also require significant resources and attention from Suncorp Group's management. Depending on the type of transaction, it could take a substantial period of time for Suncorp Group to realise the financial benefits of the transaction, if any. During the period immediately following this type of transaction, Suncorp Group's operating results may also be adversely affected.

As a target in any future merger, acquisition or divestment activity, the issues identified above may also be relevant. For a discussion of the consequences of an Acquisition Event involving an Approved Acquirer under the Terms, see "Substitution of Approved Acquirer" above. Where Suncorp Group decides to divest a business or asset, this may involve a loss against book value, particularly of any goodwill or other intangibles.

Suncorp Group's failure to adequately manage the risks associated with any mergers, acquisitions or divestments could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

2.16 Risks specific to the proposed sale of the Australian life insurance business

In addition to the risks described in "Mergers, acquisitions and divestments" above, the following are specific risks associated with the proposed sale of the Australian life insurance business as described in section 2.2.4 of the "Description of the Issuer" ("**Transaction**").

As announced on 9 August 2018, Suncorp Group has entered into a non-binding Heads of Agreement to sell its Australian life insurance business to TAL. The Transaction is subject to the parties entering into legally binding sale documentation and the satisfaction of certain conditions and regulatory approvals in Australia and Japan. The Transaction may not proceed or may be delayed. There is a risk that final transaction details, including the purchase consideration, could be lower than expected, or that separation and transaction costs are higher than expected. Suncorp Group's operating results may be adversely affected by these risks. In addition, the anticipated capital return to shareholders could be lower than expected, or not be implemented.

It is possible that Suncorp Group will be required to give certain warranties and indemnities in favour of TAL in connection with the Transaction. A breach of these warranties or a claim under an indemnity may result in Suncorp being liable to TAL.

As part of the proposed Transaction, Suncorp Group is expected to enter a 20-year strategic alliance with TAL to distribute life insurance solutions through Suncorp Group's Australian distribution channels, including its digital channels, contact centres and store network. The duration and nature of these arrangements give rise to certain risks. For example, changes in regulation or the commercial environment in the future may impact the attractiveness of these long-term arrangements. Similarly, exclusivity and non-compete arrangements may limit future opportunities for Suncorp Group.

2.17 Litigation and regulatory proceedings

The Issuer and Suncorp Group, like all entities in the banking, insurance or finance sectors, are exposed to the risk of litigation and/or regulatory reviews or proceedings brought by or on behalf of policyholders, deposit holders, reinsurers, government agencies or other potential claimants. If the Suncorp Group fails to meet legal or regulatory expectations, the Suncorp Group may be exposed to fines, public censure, litigation, settlements, restitution to customers, regulators or other stakeholders, or enforced suspension of operations or loss of licence to operate all or part of the Suncorp Group's business.

The Suncorp Group has ongoing discussions with key regulators on industry-wide matters and matters specific to the Suncorp Group. The Suncorp Group is close to finalising certain remediation activities

that were undertaken in consultation with ASIC following their industry-wide review of add-on insurance. The remediation activities were undertaken for add-on insurance customers of the Issuer's subsidiary MTA Insurance Limited (ABN 35 070 583 701), in circumstances where it had been identified that these customers may not have received the value we expected from certain add-on insurance products sold through motor dealers. In February 2017, a subsidiary of the Issuer received a solicitor's letter indicating they were contemplating commencing representative proceedings in relation to add-on insurance. As at the date of this Information Memorandum, no demand has been received nor have proceedings been filed.

In December 2014 ASIC imposed conditions on the AFSL of Suncorp Group-owned GuardianFP Limited following surveillance which uncovered deficiencies in the advice its authorised representatives provided to retail clients. Suncorp Group continues to work with ASIC to finalise the remediation activities.

The Suncorp Group is not currently involved in any legal proceedings that the Issuer believes will result, individually or in the aggregate, in a material adverse effect on the Suncorp Group's financial condition or results of operations. However, Suncorp Group, in the ordinary course of business, is regularly involved in legal proceedings relating to insurance policies underwritten by entities within Suncorp Group or arising from its operations generally.

There can be no assurance that significant regulatory actions or litigation will not arise in the future and that the outcome of regulatory actions or legal proceedings from time to time will not have an adverse effect on Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition or prospects.

2.18 Cyber risk

Suncorp Group has a significant online presence and business operations are reliant upon key systems, which are supported by a combination of in-house expertise and outsourced partners. Suncorp Group is exposed to industry-wide cyber security threats, including (but not limited to): denial of service attacks, network intrusions, malware, Trojans, viruses and insider attacks. The continuing evolution of cyber security threats and their increasing sophistication means constant vigilance and continuing control improvements are required. While strong controls are in place and further enhancements are underway, a successful cyber security attack is possible, which, in the worst-case scenario, could significantly disrupt business operations and/or result in loss of data, loss of customers, reputation damage and regulatory action. This could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

2.19 Environmental risk

Suncorp Group and its customers operate businesses and hold assets in a diverse range of geographical locations. Any significant environmental change, climate change related impacts or external event (including fire, storm, drought, flood, earthquake or pandemic) in any of these locations has the potential to disrupt the Suncorp Group and its customers' business activities, damage property and otherwise affect the value of assets held in the affected locations. Environmental changes, climate change related impacts or external events may also impact Suncorp Group's ability to recover amounts owing to it, or increase the size and frequency of claims made on it and could have an adverse impact on economic activity, consumer and investor confidence, or the levels of volatility in financial markets. This could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

See also the section entitled "Catastrophes" above.

2.20 Failure of risk management strategies

Suncorp Group has implemented risk management strategies and internal controls involving processes and procedures intended to identify, monitor and mitigate the risks to which it is subject, including market risk (including interest rate and foreign exchange risk), strategic risk, financial risk, insurance risk, credit and counterparty risk and operational risk.

However, there are inherent limitations with any risk management framework as there may exist, or develop in the future, risks that Suncorp Group has not anticipated or identified or controls that may not operate effectively.

If any of Suncorp Group's risk management processes and procedures prove ineffective or inadequate or are otherwise not appropriately implemented, Suncorp Group could suffer unexpected losses and

reputational damage which could adversely affect Suncorp Group's businesses, financial performance, capital resources, financial condition and prospects.

2.21 Tax laws

Significant recent Australian tax law changes and current proposals for further reforms give rise to risks, as the status and scope of many new and proposed tax laws are not yet known.

There are risks that any changes to the tax law, including the current rate of company income tax and further changes to tax concessions such as research and development expenditure, may impact on demand for financial products and services and also impact on shareholder returns and the level of dividend franking.

2.22 Product Risk

Demand for Suncorp Group's financial products and services is affected by changes in economic conditions, investment markets, investor sentiment, customer preferences, competitive dynamics, accessibility, adviser recommendations, regulation, tax law and legislation.

Insurance brokers remain the dominant distribution channel for customers purchasing commercial insurance products. While not reliant on any individual intermediary, the failure, inability or unwillingness of intermediaries to successfully market the Suncorp Group's insurance products could have a material adverse effect on the Suncorp Group's businesses, financial condition and operations.

2.23 Staff retention and key person risk

Suncorp Group's future success will depend on its continued ability to attract and retain highly skilled and qualified personnel. There can be no assurance that key personnel will continue to be employed by, or contracted to, Suncorp Group. Failure to retain or attract key personnel could have a material adverse impact on the financial performance and position of Suncorp Group.

Terms of the Notes

The following are the Terms of the Notes. Each Holder, and any person claiming through or under a Holder, is deemed to have notice of and is bound by these Terms, the Deed Poll and this Information Memorandum. Copies of each of these documents are available for inspection by the holder of any Note at the offices of the Issuer and the Registrar at each of their respective addresses set out in the section entitled "Directory" below.

1 Form of Notes

1.1 Constitution under Deed Poll

Suncorp Wholesale Subordinated Notes due 2028 (the **Notes**) are direct, unsecured, subordinated debt obligations of the Issuer constituted by, and owing under, the Deed Poll.

1.2 Form

The Notes are issued in registered form by entry in the Register.

1.3 Face Value

- (a) The Notes have a Face Value of A\$10,000 and are issued fully paid.
- (b) No person shall subscribe for the Notes in Australia unless:
 - (i) the aggregate consideration payable to the Issuer by the subscriber is at least A\$500,000 (disregarding moneys lent by the Issuer or its associates) or the Notes are otherwise issued in a manner which does not require disclosure in accordance with Part 6D.2 or Part 7 of the Corporations Act; and
 - (ii) the offer or invitation from which the issue results does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act.

1.4 Currency

The Notes are denominated in Australian dollars.

1.5 No certificates

No certificates will be issued to Holders unless the Issuer determines that certificates should be available or are required by any applicable law.

2 Status and subordination

2.1 Status

The Notes constitute direct and unsecured subordinated obligations of the Issuer, ranking:

- (a) ahead of the claims of all Junior Ranking Creditors;
- (b) equally without any preference among themselves;
- (c) equally with the claims of all Equal Ranking Creditors; and
- (d) behind the claims of Senior Ranking Creditors.

2.2 Solvency test

When the Issuer is not in a winding-up:

- (a) no amount is due and payable by the Issuer in respect of the Notes unless, at the time of, and immediately after, the payment, the Issuer is, and would be, Solvent (**Solvency Condition**). A certificate signed by the Issuer, two authorised signatories of the Issuer, its auditor or, if the Issuer is being wound up, its liquidator, as to whether the Issuer is Solvent at any time is (in the absence of wilful default, bad faith or manifest error) conclusive evidence of the information contained in the certificate and will be binding on the Holders. In the absence of such a certificate, Holders are entitled to assume (unless the contrary is proved) that the Issuer is Solvent at the time of, and will be Solvent immediately after, any payment in respect of the Notes; and
- (b) if all or any part of an amount that otherwise would be due and payable under these Terms is not due and payable because at the time of, and immediately after, the payment the Issuer would not be Solvent then, subject to clause 3.3, Holders have no claim or entitlement in respect of such non-payment and such non-payment does not constitute an Event of Default.

2.3 Subordination in winding-up

The claims of Holders against the Issuer in respect of Notes will, in a winding-up of the Issuer, be subordinated in right of payment to the claims of all Senior Ranking Creditors as provided in clause 9.

2.4 Not deposits, not insurance policies and not guaranteed

The Notes are not:

- (a) deposits with, nor deposit liabilities of, Suncorp-Metway Limited (ABN 66 010 831 722) or any other member of the Suncorp Group for the purposes of the Banking Act;
- (b) protected accounts for the purposes of the depositor protection provisions of the Banking Act or the financial claims scheme established under the Banking Act;
- (c) policies of any member of the Suncorp Group for the purposes of the Insurance Act nor protected policies for the purposes of the Financial Claims Scheme established under Part VC of the Insurance Act;
- (d) policies with any member of the Suncorp Group for the purposes of the Life Insurance Act; nor
- (e) guaranteed or insured by the Australian government or under any compensation scheme of the Australian government, or by any other government, under any other compensation scheme or by any government agency or any other party.

2.5 Effect of Non-Viability Trigger Event

If a Non-Viability Trigger Event occurs, despite any other provision in these Terms, Notes will be Converted into Ordinary Shares as provided in clause 6, or if clause 6.5 applies, Written-Off.

3 Interest

3.1 Interest

Each Note bears interest (**Interest**) on its Face Value from (and including) its Issue Date to (but excluding) its Maturity Date or any Early Redemption Date at the Interest Rate.

Interest is payable in arrear on each Interest Payment Date.

3.2 Interest Rate determination

The Interest Rate payable in respect of a Note must be calculated by the Issuer in accordance with these Terms.

The Interest Rate applicable to a Note for each Interest Period is calculated according to the following formula:

Interest Rate = Bank Bill Rate + Margin

and expressed as a percentage per annum, where:

Bank Bill Rate means, for the Interest Period, the rate for prime bank eligible securities having a tenor of 3 months, which is designated as the “AVG MID” on the Thomson Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any page that replaces that page) at approximately 10:30am, Sydney time (or such other time at which such rate customarily appears on that page) on the relevant day (**Publication Time**), on the first Business Day of the Interest Period. However, if such rate does not appear on the Thomson Reuters Screen BBSW Page (or any page that replaces that page) by 10:45am, Sydney time, on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Issuer determines that there is an obvious error in that rate, “**Bank Bill Rate**” means the rate determined by the Issuer having regard to comparable indices then available; and

Margin means 2.15% per annum.

3.3 Cumulative Interest

Provided that a Note has not been Redeemed, Converted or Written-Off:

- (a) any amount of Interest which is not paid by virtue of clause 2.2(a), or payment of which is improperly withheld or refused when due and payable, accumulates and accrues Interest at the Interest Rate (as if it were an amount of Face Value) as provided in this clause 3; and
- (b) any amounts not paid by virtue of clause 2.2(a), and any amount accumulating under this clause 3.3, remains a debt owing and is due and payable:
 - (i) in the case of Interest, on the first Interest Payment Date; and
 - (ii) in the case of any other amount, on the first date,

on which amounts may be paid in compliance with the Solvency Condition.

4 General provisions applicable to Interest

4.1 Calculation of Interest amount

The Issuer must, as soon as practicable after calculating the Interest Rate in relation to each Interest Period for each Note, calculate the amount of Interest payable for the Interest Period in respect of the Face Value of each Note.

The amount of Interest payable on each Note for an Interest Period is calculated according to the following formula:

Interest payable = Interest Rate x Face Value x Day Count Fraction

4.2 Notification of Interest Rate, Interest payable and other items

- (a) In relation to each Interest Period, the Issuer must procure that the Calculation Agent notifies the Registrar (where the Calculation Agent is not the Registrar) and the Holders of the Interest Rate and the amount of Interest payable on each Note.
- (b) The Issuer must give notice under this clause 4.2 (**Interest Notice**) as soon as practicable after it makes its calculations and, in any event, by no later than the fourth day of the relevant Interest Period.

- (c) The Issuer may amend its calculation of any amount (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of an Interest Period without prior notice, but must notify the Holders and the Registrar promptly after so doing.

4.3 Determination final

The determination by the Issuer of all amounts and rates to be calculated or determined by it under these Terms is, in the absence of manifest or proven error, final and binding on the Issuer, the Registrar and each Holder.

4.4 Calculations

For the purposes of any calculations required under these Terms:

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with 0.00005% being rounded up to 0.0001%);
- (b) all figures must be rounded to four decimal places (with 0.00005 being rounded up to 0.0001); and
- (c) all amounts that are due and payable to a Holder in respect of the Holder's aggregate holding of Notes must be rounded to the nearest one Australian cent (with 0.5 of a cent being rounded up to one cent).

4.5 Calculation of accrued Interest in other cases

Where under these Terms the day for payment of any accrued Interest is not an Interest Payment Date, the amount of that Interest will be calculated in accordance with clause 4 for the period from the last Interest Payment Date until the date for that payment.

5 Redemption and purchase

5.1 Scheduled Redemption

The Issuer shall Redeem each Note on the Maturity Date by payment of its Face Value (together with, pursuant to clause 4, any Interest accrued to (but excluding) the Maturity Date) unless:

- (a) the Note has been previously Redeemed;
- (b) the Note has been purchased by the Issuer and cancelled; or
- (c) it has been Converted or Written-Off.

5.2 Early Redemption: Tax Event or Regulatory Event

If a Tax Event or Regulatory Event occurs, the Issuer may, subject to clause 5.5, Redeem all (but not some) Notes by payment of their Face Value (together with, pursuant to clause 4, any Interest accrued to (but excluding) the Early Redemption Date).

5.3 Early Redemption of a Note at the option of the Issuer

Subject to clause 5.5, the Issuer may Redeem all or some of the Notes on 5 December 2023 or an Interest Payment Date occurring after that date by payment of their Face Value (together with, pursuant to clause 4, any Interest accrued on those Notes to (but excluding) the Early Redemption Date).

5.4 Partial Redemptions

If only some of the Notes are to be Redeemed under clause 5.3, the proportion of the Notes that are to be Redeemed will be specified in the Early Redemption Notice given under clause 5.5(a) and the Issuer will endeavour to treat Holders on an approximately proportionate basis (although it may discriminate to take account of the effect on marketable parcels and other logistical considerations).

5.5 Conditions to early Redemption

- (a) The Issuer must give at least 15 Business Days (and no more than 30 Business Days) notice (**Early Redemption Notice**) to the Registrar and the Holders of any early Redemption of Notes in accordance with this clause 5. The Early Redemption Notice must be given in accordance with clause 16.1 and the Deed Poll and specify the Early Redemption Date, which must be a Business Day.
- (b) The Issuer may only Redeem Notes under clause 5.2 or 5.3 if:
 - (i) either:
 - (A) prior to or concurrently with Redemption, the Issuer replaces the Notes with Relevant Subordinated Instruments or Ordinary Shares and the replacement is done under conditions that are sustainable for the income capacity of the Issuer; or
 - (B) the Issuer obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the Suncorp Group, that the Issuer does not have to replace the Notes; and
 - (ii) APRA has given its prior written approval of the Redemption.

Holders should note that any approval is at APRA's discretion and may not be given.

5.6 Effect of Early Redemption Notice

Any Early Redemption Notice given under this clause 5 is irrevocable unless a Non-Viability Trigger Event occurs after the giving of the Early Redemption Notice, in which case, the Early Redemption Notice will be taken to be revoked immediately and automatically and clause 6 shall apply.

5.7 No Holder option for early Redemption

A Holder cannot require the Issuer or any other person to Redeem (or otherwise purchase) a Note prior to the Maturity Date.

5.8 Late payment

If an amount is not paid under this clause 5 when due, then Interest continues to accrue on the unpaid amount (both before and after any demand or judgment) in accordance with clause 3.

5.9 Purchase

Subject to APRA's prior written approval, the Issuer or any member of the Suncorp Group may purchase in the open market or otherwise Notes at any time and at any price. Any Note purchased by or on behalf of the Issuer shall be cancelled.

Holders should note that any approval is at APRA's discretion and may not be given.

6 Conversion on Non-Viability Trigger Event

6.1 Non-Viability Trigger Event

A **Non-Viability Trigger Event** means APRA has provided a written determination to the Issuer that:

- (a) the conversion to Ordinary Shares or write off of Relevant Subordinated Instruments in accordance with their terms or by operation of law is necessary because without the conversion to Ordinary Shares or write off, APRA considers that the Issuer would become non-viable; or
- (b) without a public sector injection of capital into, or equivalent support with respect to, the Issuer, APRA considers that the Issuer would become non-viable.

(such determination a **Non-Viability Determination**).

6.2 Conversion on Non-Viability Trigger Event

If a Non-Viability Trigger Event occurs:

- (a) on the Trigger Event Date, subject only to clause 6.5, such number of Notes will immediately Convert as is required by the Non-Viability Determination, provided that:
 - (i) where such Non-Viability Determination is made on the grounds that, without a public sector injection of capital or equivalent support, the Issuer would become non-viable, all Notes must be Converted; and
 - (ii) where clause 6.2(a)(i) does not apply and such Non-Viability Determination does not require all Relevant Subordinated Instruments to be converted or written-off, such number of Notes shall Convert as is sufficient (determined by the Issuer in accordance with clause 6.2(b)) to satisfy APRA that the Issuer is viable without further conversion or write-off;
- (b) in determining the number of Notes which must be Converted:
 - (i) first, the Issuer will convert or write-off all Relevant Tier 1 Capital Instruments before Converting the Notes;
 - (ii) second, if conversion or write-off of Relevant Tier 1 Capital Instruments is less than the amount sufficient to satisfy APRA that the Issuer would not become non-viable (and provided that APRA has not withdrawn the Non-Viability Determination as a result of the conversion or write-off of the Relevant Tier 1 Capital Instruments), the Issuer will Convert some or all of the Notes and the Issuer will convert or write-off other Relevant Term Subordinated Instruments in an aggregate amount which when added to the amount of Relevant Tier 1 Capital Instruments converted or written-off will satisfy APRA that the Issuer would not become non-viable; and
 - (iii) in Converting the relevant Notes or converting or writing-off other Relevant Term Subordinated Instruments the Issuer will endeavour to treat Holders and holders of other Relevant Term Subordinated Instruments on an approximately pro-rata basis or in a manner that is otherwise, in the opinion of the Issuer, fair and reasonable (subject to such adjustment as the Issuer may determine to take into account the effect on marketable parcels and the need to round to whole numbers the number of Ordinary Shares and any Notes or other Relevant Subordinated Instruments remaining on issue) and, for the purposes of this clause 6.2(b), where the specified currency of the outstanding principal amount of any Relevant Term Subordinated Instruments is not Australian dollars, the Issuer may, for the purposes of determining the outstanding principal amount that is to be converted or written-off, convert the outstanding principal amount into Australian dollars at such rate of exchange determined in accordance with the terms of such Relevant Term Subordinated Instruments or, if those terms do not specify a basis for determining such rate of exchange, at such rate of exchange as the Issuer in good faith considers reasonable;
- (c) on the Trigger Event Date the Issuer must determine the Holders whose Notes will be Converted at the time on that date that the Conversion is to take effect and in making that determination may make any decisions with respect to the identity of the Holders at that time and date as may be necessary or desirable to ensure Conversion occurs immediately in an orderly manner, including disregarding any transfers of Notes that have not been settled or registered at that time;
- (d) The Issuer must give written notice of that event (a **Trigger Event Notice**) as soon as practicable to the Holders, which notice must specify:
 - (i) the Trigger Event Date;

- (ii) the number of Notes Converted; and
 - (iii) the relevant number of other Relevant Subordinated Instruments converted or written-off;
- (e) From the Trigger Event Date, but subject to clause 6.5 and clause 16.3(b), the Issuer shall treat the Holder in respect of the Notes as the holder of the Conversion Number of Ordinary Shares and will take all such steps, including updating any of its registers, required to record the Conversion.

6.3 Immediacy of Conversion

None of the following shall prevent, impede or delay the Conversion of Notes as required by clause 6.2:

- (a) any failure or delay in the conversion or write-off of any other Relevant Subordinated Instruments;
- (b) any failure or delay in giving a Trigger Event Notice;
- (c) any failure or delay in quotation of the Ordinary Shares to be issued on Conversion;
- (d) any decision as to the identity of Holders whose Notes are to be Converted in accordance with clause 6.2; or
- (e) any requirement to select or adjust the amount of Notes to be Converted in accordance with clause 6.2(b)(iii).

6.4 Priority of Conversion Obligations

A Conversion required on account of a Non-Viability Trigger Event takes place on the date, and in the manner, required by clause 6.2, notwithstanding anything in clause 5.

6.5 Write-Off where Conversion does not occur

- (a) Notwithstanding any other provisions of these Terms, if for any reason (including, without limitation, an Inability Event) Conversion of any Notes which are required to be Converted does not occur within 5 Business Days of the Trigger Event Date, then Conversion of those Notes will not occur and those Notes shall be Written-Off with effect on and from the Trigger Event Date.
- (b) In this clause 6.5, **Written-Off** means, in respect of a Note and a Trigger Event Date:
 - (i) the Note that is otherwise subject to Conversion will not be Converted on the Trigger Event Date and will not be Converted or Redeemed under these Terms on any subsequent date; and
 - (ii) the relevant Holder's rights (including to Interest and payment of Face Value and to be issued with the Conversion Number of Ordinary Shares) in relation to such Notes are immediately and irrevocably written-off and terminated,

and **Write-Off** has a corresponding meaning.

- (c) The Issuer must give notice to Holders if Conversion has not occurred (**Write-Off Notice**) by operation of this clause 6.5 but failure to give that notice shall not affect the operation of this clause 6.5.

7 Conversion Mechanics

7.1 Conversion

On the Trigger Event Date, subject to clauses 6.5 and 7.11, the following shall occur:

- (a) The Issuer shall allot and issue the Conversion Number of Ordinary Shares to the Holders for each such Note held by the Holder.

The Conversion Number will be calculated by the Issuer in accordance with the following formula:

$$\text{Conversion Number for each Note} = \frac{\text{Face Value}}{0.99 \times \text{VWAP}}$$

subject always to the Conversion Number being no greater than the Maximum Conversion Number.

where:

VWAP (expressed in dollars and cents) means the VWAP during the VWAP Period; and

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

$$\text{Maximum Conversion Number} = \frac{\text{Face Value}}{0.20 \times \text{Issue Date VWAP}}$$

- (b) Each Holder's rights (including to Interest) in relation to each Note that is being Converted as determined in accordance with clauses 6.1 and 6.2(b) will be immediately and irrevocably terminated in full for an amount equal to the Face Value and the Issuer will apply the Face Value of each Note by way of payment for the subscription for the Ordinary Shares to be allotted and issued under clause 7.1(a). Each Holder is taken to have irrevocably directed that any amount payable under this clause 7.1 is to be applied as provided for in this clause 7.1 and Holders do not have any right to payment in any other way.
- (c) If the total number of Ordinary Shares to be allotted and issued in respect of a Holder's aggregate holding of Notes includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded.
- (d) The rights attaching to Ordinary Shares issued as a result of Conversion do not take effect until the time at which such Conversion occurs on the Trigger Event Date.
- (e) Subject to clause 7.11, where Notes are Converted, the Issuer will allot and issue the Ordinary Shares to the Holder on the basis of the Holder's name and address provided to the Issuer for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares issued on Conversion unless:
- (i) a Holder has notified the Issuer of a different name and address; and
- (ii) a Holder has provided such other information as is reasonably requested by the Issuer (including, without limitation, details of the Holder's account to which the Ordinary Shares issued on Conversion are to be credited),

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

7.2 Adjustments to VWAP

For the purposes of calculating VWAP under clause 7.1:

- (a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and Notes will be Converted into Ordinary Shares after that date and those Ordinary Shares will no longer carry that dividend or that other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement will be reduced by an amount (**Cum Value**) equal to:
 - (i) (in the case of a dividend or other distribution), the amount of that dividend or other distribution including, if the dividend or distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or distribution who is a natural person resident in Australia under the Tax Legislation;
 - (ii) (in the case of any entitlement that is not a dividend or other distribution for which adjustment is made under clause 7.2(a)(i) which is traded on ASX on any of those Business Days), the volume weighted average price of all such entitlements sold on ASX during the VWAP Period on the Business Days on which those entitlements were traded (excluding trades of the kind that would be excluded in determining VWAP under the definition of that term); or
 - (iii) (in the case of other entitlements which is not traded on ASX during the VWAP Period), the value of the entitlement as reasonably determined by the Issuer; and
- (b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted as ex dividend or ex any other distribution or entitlement, and Notes will be Converted into Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement will be increased by the Cum Value.

7.3 Adjustments to VWAP for divisions and similar transactions

Where during the relevant VWAP Period there is a change to the number of Ordinary Shares on issue as a result of a Reorganisation, in calculating the VWAP for that VWAP Period, the daily VWAP for each day in the VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reorganisation basis shall be adjusted by multiplying it by the following formula:

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

where:

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

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

7.4 Adjustments to Issue Date VWAP

For the purposes of determining the Issue Date VWAP under clause 7.1, adjustments to the VWAP will be made by the Issuer in accordance with clauses 7.2 and 7.3 during the VWAP Period for the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

- (a) may be made by the Issuer in accordance with clauses 7.5, 7.6 and 7.7; and
- (b) if so made, will cause an adjustment to the Maximum Conversion Number.

7.5 Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to clauses 7.5(b) and 7.5(c), if the Issuer makes a pro-rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally (in a manner not involving any cash payment to or by holders of Ordinary Shares), the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_0 \times RD / (RD + RN)$$

where:

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

V₀ means the Issue Date VWAP applying immediately prior to the application of this formula;

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

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

- (b) Clause 7.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purposes of this clause 7.5, an issue will be regarded as a bonus issue notwithstanding that the Issuer does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, where the issue on such terms is in compliance with the ASX Listing Rules.
- (d) No adjustments to the Issue Date VWAP will be made under this clause 7.5 for any offer of Ordinary Shares not covered by clause 7.5(a), including a rights issue or other essentially pro rata issue.
- (e) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by clause 7.5(a) shall not in any way restrict the Issuer from issuing Ordinary Shares at any time on such terms as it sees fit nor be taken to constitute a modification or variation of rights or privileges of Holders or otherwise requiring any consent or concurrence of the Holders.

7.6 Adjustments to Issue Date VWAP for divisions and similar transactions

- (a) If at any time after the Issue Date there is a change to the number of Ordinary Shares on issue as a result of a Reorganisation, the Issuer shall adjust the Issue Date VWAP by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reorganisation by the following formula:

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

where:

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

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

- (b) Each Holder acknowledges that the Issuer may consolidate, divide or reclassify securities so that there is a lesser or greater number of Ordinary Shares at any time in its absolute discretion without any such action constituting a modification or variation of rights or privileges of Holders or otherwise requiring any consent or concurrence.

7.7 No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of clauses 7.5 and 7.6, no adjustment will be made to the Issue Date VWAP where any such adjustment (rounded if applicable) would be less than one per cent of the Issue Date VWAP then in effect.

7.8 Certain provisions relating to adjustments

- (a) The Issuer will notify Holders (an **Adjustment Notice**) of any adjustment to the Issue Date VWAP under this clause 7 within 10 Business Days of the Issuer determining the adjustment.
- (b) Any adjustment to the VWAP or Issue Date VWAP in accordance with this clause 7 will be effective and binding on Holders under these Terms and these Terms will be construed accordingly.

7.9 Status and listing of Ordinary Shares

- (a) The Issuer agrees that Ordinary Shares issued on Conversion will rank equally with all other fully paid Ordinary Shares.
- (b) The Issuer agrees to use all reasonable endeavours to list the Ordinary Shares issued on Conversion on ASX.

7.10 Information for Conversion

Where a Note is required to be Converted under these Terms, a Holder wishing to receive Ordinary Shares must in a Holder Details Notice to be given no later than the Trigger Event Date have provided to the Issuer:

- (a) its name and address (or the name and address of any person in whose name it directs the Ordinary Shares to be issued) for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares;
- (b) the security account details in CHESS or such other account to which the Ordinary Shares may be credited; and
- (c) such other information as is reasonably requested by the Issuer for the purposes of enabling it to issue the Conversion Number of Ordinary Shares to such Holder.

The Issuer has no duty to seek or obtain such information.

7.11 Conversion where the Holder does not wish to receive Ordinary Shares or is an Ineligible Holder

- (a) If Notes are required to be Converted and:
 - (i) the Holder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of Conversion, which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Trigger Event Date; or
 - (ii) the Holder is an Ineligible Holder; or
 - (iii) for any reason (whether or not due to the fault of the Holder), the Issuer has not received the information required by clause 7.10 prior to the Trigger Event Date and the lack of such information would prevent the Issuer from issuing the Ordinary Shares to the Holder on the Trigger Event Date; or
 - (iv) FATCA Withholding is required to be made in respect of the Ordinary Shares to be issued upon Conversion,

then, on the Trigger Event Date, the Holder's rights (including to payments of Interest or Additional Amounts, and the repayment of principal) in relation to each such Note being Converted are immediately and irrevocably terminated and the Issuer will issue the Conversion Number of Ordinary Shares to one

or more Nominees for no additional consideration and on terms that at the first opportunity the Nominee will sell the Ordinary Shares at market value and pay the Proceeds to the relevant Holder or, in the case of a FATCA Withholding, will deal with the Ordinary Shares and any proceeds of sale as required by FATCA.

- (b) If the Conversion of Notes to which this clause 7.11 applies fails to take effect within five Business Days of the Trigger Event Date, then Holders' rights will be immediately and irrevocably terminated in accordance with clause 6.5.
- (c) The Issuer has no liability to a Holder for the acts of any Nominee appointed to sell the Ordinary Shares upon the occurrence of a Non-Viability Trigger Event and has no, nor owes any, duties in connection with any such sale and has no responsibility for any costs, losses, liabilities, expenses, demands or claims which arise as a result of such sale.

7.12 Power of attorney

- (a) Each Holder appoints each of the Issuer, its officers and any External Administrator of the Issuer (each an **Attorney**) severally to be the attorney of the Holder with power in the name and on behalf of the Holder to sign all documents and transfers and do any other thing as may in the Attorney's opinion be necessary or desirable to be done in order for the Holder to observe or perform the Holder's obligations under these Terms including, but not limited to, effecting any transfers of the Notes, Conversion, Write-Off or Redemption, making any entry in the Register or the register of any Ordinary Shares or exercising any voting power in relation to any consent or approval required for Conversion, Write-Off or Redemption.
- (b) The power of attorney given in this clause 7.12 is given for valuable consideration and to secure the performance by the Holder of the Holder's obligations under these Terms and is irrevocable.

7.13 No right of Holders to require Conversion

No Notes can, or will, be Converted at the option of a Holder.

7.14 Conversion if amounts not paid

For the avoidance of doubt, Conversion may occur even if an amount is not paid to a Holder as a consequence of clause 2.2.

7.15 Conversion after winding-up commences

If a Non-Viability Trigger Event occurs, then Conversion shall occur (subject to clause 6.5) in accordance with clauses 6 and 7 notwithstanding that an order is made by a court, or an effective resolution is passed, for the winding-up of the Issuer.

7.16 Consent to receive Ordinary Shares and other acknowledgements

Subject to clause 6.5, each Holder irrevocably:

- (a) upon receipt of the Conversion Number of Ordinary Shares following Conversion of Notes in accordance with clauses 6 and 7, consents to becoming a member of the Issuer and agrees to be bound by the constitution of the Issuer, in each case in respect of Ordinary Shares issued on Conversion;
- (b) acknowledges and agrees that, unless it has given notice in accordance with clause 7.11 that it does not wish to receive Ordinary Shares as a result of Conversion, it is obliged to accept Ordinary Shares on Conversion notwithstanding anything that might otherwise affect a Conversion of Notes including:
 - (i) any change in the financial position of the Issuer or the Suncorp Group since the Issue Date;
 - (ii) it being impossible or impracticable to list the Ordinary Shares on the ASX;

- (iii) it being impossible or impracticable to sell or otherwise dispose of the Ordinary Shares;
 - (iv) any disruption to the market or potential market for Ordinary Shares or capital markets generally;
 - (v) any breach by the Issuer of any obligation in connection with the Notes; or
 - (vi) the occurrence of a Regulatory Event or a Tax Event;
- (c) acknowledges and agrees that:
- (i) Conversion of the Notes in accordance with clause 6 is a fundamental term of the Notes and is not subject to any conditions other than those expressly provided for in this clause 6 and clause 7;
 - (ii) Conversion must occur immediately on the Trigger Event Date and Conversion or Write-Off may result in disruption or failures in trading or dealings in the Notes or other loss to Holders;
 - (iii) it will not have any rights to vote in respect of any Conversion or Write-Off;
 - (iv) the determinations made by the Issuer under clause 6 are final and binding; and
 - (v) notwithstanding clause 7.9, Ordinary Shares issued on Conversion may not be quoted at the time of Conversion or at all;
- (d) agrees to provide to the Issuer any information necessary to give effect to a Conversion;
- (e) acknowledges and agrees that where clause 6.5 applies, no other conditions or events will affect the operation of that clause and it will not have any rights to vote in respect of any termination under that clause;
- (f) acknowledges and agrees that it has no right to determine whether Notes are Converted; and
- (g) acknowledges and agrees that it has no remedies on account of the failure of the Issuer to issue Ordinary Shares in accordance with this clause 6 other than, subject to clause 6.5, to seek specific performance of the Issuer's obligation to issue Ordinary Shares.

8 Events of Default

8.1 Events of Default

An **Event of Default** occurs in relation to the Notes if:

- (a) subject to clause 2.2, the Issuer fails to pay:
 - (i) any amount of principal within 10 days of the due date for payment; or
 - (ii) any amount of Interest or other amount within 30 days of the due date for payment;
 (a **Payment Default**); or
- (b) an:
 - (i) order is made by a court (other than an order successfully appealed or permanently stayed within 60 days), or
 - (ii) an effective resolution is passed,

for the winding-up of the Issuer in Australia (but not elsewhere), in each case other than for the purposes of a consolidation, amalgamation, merger or reconstruction which has been approved by a Special Resolution of the Holders or in which the surviving entity has assumed or will assume expressly or by law all obligations of the Issuer in respect of the Notes,

(a **Winding-up Default**).

8.2 Notification

If an Event of Default occurs, the Issuer must, promptly after becoming aware of it, notify the Holders and the Registrar of the occurrence of that Event of Default (specifying details of it).

8.3 Enforcement

- (a) At any time after a Payment Default occurs and continues unremedied, then the Holder of any Notes may without further notice bring proceedings:
 - (i) to recover any amount then due and payable but unpaid on the Notes (subject to clause 2.2);
 - (ii) to obtain a court order for specific performance of any other obligation in respect of the Notes;
 - (iii) for the winding-up of the Issuer; or
- (b) At any time after a Winding-up Default occurs and continues unremedied, the Holder of any Notes may declare by notice to the Issuer that the Face Value of each Note (together with all Interest accrued but unpaid to the date for payment) is payable on a date specified in the notice and, subject to clause 9, may prove in the winding-up of the Issuer for that amount, but may take no further action to enforce the obligations of the Issuer for payment of any principal or Interest in respect of the Notes.
- (c) The Holder may not exercise any other remedies (including any right to sue for damages which has the same economic effect as acceleration) as a consequence of an Event of Default other than as specified in this clause 8.3.

9 Winding-up and Subordination

9.1 Winding up

In a winding-up of the Issuer in any jurisdiction, a claim by a Holder, or any other person on behalf of the Holder, for an amount owing by the Issuer in connection with a Note, is subordinated to the claims of Senior Ranking Creditors in that:

- (a) all claims of Senior Ranking Creditors must be paid in full before the Holder's claim is paid; and
- (b) until the Senior Ranking Creditors have been paid in full, the Holder must not claim in the winding-up in competition with the Senior Ranking Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Ranking Creditors would have been entitled to receive.

9.2 Agreements and acknowledgements of Holders

Each Holder irrevocably acknowledges and agrees that:

- (a) this clause 9 is a debt subordination for the purposes of section 563C of the Corporations Act;
- (b) it must not exercise its voting rights (as a creditor in respect of the Notes) in the winding-up or administration of the Issuer in any jurisdiction to defeat the subordination in this clause 9;

- (c) it must pay or deliver to the liquidator any amount or asset received on account of its claim in the winding-up of the Issuer in connection with a Note in excess of its entitlement under clause 9.1 above;
- (d) the debt subordination effected by this clause 9 is not affected by any act or omission of the Issuer or a Senior Ranking Creditor which might otherwise affect it at law or in equity; and
- (e) there is no limit on the amount of debt or other obligations which rank equally with or ahead of the Notes that may be incurred or assumed by the Issuer.

9.3 No consent of Senior Ranking Creditors

Nothing in clause 2 or this clause 9 shall be taken:

- (a) to require the consent of any Senior Ranking Creditor to any amendment of these Terms;
- (b) to create a charge or security interest over any right of a Holder.

10 Title and transfer of Notes

10.1 Title

Title to Notes passes when details of the transfer are entered in the Register.

10.2 Effect of entries in Register

Each entry in the Register in respect of a Note constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Holder to pay principal, Interest and any other amount subject to, and in accordance with, these Terms;
- (b) an entitlement to the other benefits given to Holders under these Terms and the Deed Poll in respect of the Note; and
- (c) a separate and individual acknowledgement to the relevant Holder of the indebtedness of the Issuer to the relevant Holder and the Holder to whom those obligations are owed is entitled to enforce them without having to join any other Holder or any predecessor in title of a Holder.

10.3 Register conclusive as to ownership

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of the Note subject to correction for fraud or error.

10.4 Non-recognition of interests

Except as required by law, the Issuer and the Registrar must treat the person whose name is entered in the Register as the holder of a Note as the absolute owner of that Note. This clause 10.4 applies whether or not a Note is overdue and despite any notice of ownership, trust or interest in the Note.

10.5 Joint holders

Where two or more persons are entered in the Register as the joint holders of a Note then they are taken to hold the Note as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of any Note.

10.6 Austraclear

- (a) If Notes are lodged in the Austraclear System, the Registrar will enter Austraclear in the Register as the Holder of those Notes. While those Notes remain in the Austraclear System, all dealings (including transfers and payments) in relation to those Notes within the Austraclear System will be governed by the regulations for the Austraclear System (but without affecting any Term

which may cause APRA to object to the Suncorp Group using or having used the proceeds of the Notes to fund Tier 2 Capital of a Regulated Entity within the Suncorp Group).

- (b) Where Austraclear is recorded in the Register as the Holder, each person in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded is deemed to acknowledge in favour of the Registrar and Austraclear that:
 - (i) the Registrar's decision to act as the Registrar of the Note does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the Note but only indicates that such Note is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the Note; and
 - (ii) the Holder does not rely on any fact, matter or circumstance contrary to clause 10.6(b)(i).

10.7 Transfers in whole

Notes may be transferred in whole but not in part.

10.8 Transfer

- (a) Where Notes are not lodged in the Austraclear System, subject to clause 10.9, all applications to transfer Notes must be made by lodging with the Registrar a properly completed transfer and acceptance form in the form approved by the Issuer and the Registrar signed by both the transferor and the transferee. Transfer and acceptance forms are available from any Registry Office.
- (b) Notes lodged in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

10.9 Limit on Transfer

- (a) The Notes may only be transferred pursuant to offers received in Australia if:
 - (i) the aggregate consideration payable at the time of transfer is at least A\$500,000 (disregarding moneys lent by the transferor or its associates) or the Notes are otherwise transferred in a manner which does not require disclosure in accordance with Part 6D.2 or Part 7 of the Corporations Act; and
 - (ii) the transfer does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act.
- (b) Notes may only be transferred between persons in a jurisdiction or jurisdictions other than Australia if the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place and the transfer of the Notes otherwise does not require disclosure to investors in accordance with the laws of the jurisdiction in which the transfer takes place.

10.10 Austraclear Services Limited as Registrar

If Austraclear Services Limited is the Registrar and Notes are lodged in the Austraclear System, despite any other provision of these Terms, those Notes are not transferable on the Register, and the Issuer may not, and must procure that the Registrar does not, register any transfer of those Notes issued by it and no member of the Austraclear System has the right to request any registration of any transfer of the relevant Notes, except:

- (a) for the purposes of any Conversion, Write-Off, Redemption, repurchase or cancellation of the relevant Note, a transfer of the relevant Note from Austraclear to the Issuer may be entered in the Register; and

- (b) if Austraclear exercises or purports to exercise any power it may have under the Austraclear Regulations from time to time for the Austraclear System or these Terms, to require the relevant Note to be transferred on the Register to a member of the Austraclear System, the relevant Note may be transferred on the Register from Austraclear to the member of the Austraclear System.

In any of these cases, the relevant Note will cease to be held in the Austraclear System.

10.11 Delivery of instrument

If an instrument is used to transfer Notes according to clause 10.8, it must be delivered to the Registrar, together with such evidence (if any) as the Registrar reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the Notes.

10.12 Refusal to register

The Issuer may only refuse to register a transfer of any Notes if such registration would contravene or is forbidden by Austraclear Regulations or the Terms.

If the Issuer refuses to register a transfer, the Issuer must give the lodging party notice of the refusal and the reasons for it within five Business Days after the date on which the transfer was delivered to the Registrar.

10.13 Transferor to remain Holder until registration

A transferor of a Note remains the Holder in respect of that Note until the transfer is registered and the name of the transferee is entered in the Register.

10.14 Effect of transfer

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under the Deed Poll in respect of the transferred Notes and the transferee becomes so entitled in accordance with clause 10.2.

10.15 Estates

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

10.16 Unincorporated associations

A transfer to an unincorporated association is not permitted.

10.17 Transfer of unidentified Notes

Where the transferor executes a transfer of less than all Notes registered in its name, and the specific Notes to be transferred are not identified, the Registrar may register the transfer in respect of such of the Notes registered in the name of the transferor as the Registrar thinks fit, provided the aggregate of the Face Value of all the Notes registered as having been transferred equals the aggregate of the Face Value of all the Notes expressed to be transferred in the transfer.

11 Payments

11.1 Summary of payment provisions

Payments in respect of Notes will be made in accordance with this clause 11.

11.2 Payments subject to law

All payments are subject to applicable law, but without prejudice to the provisions of clause 12.

11.3 Payments on Business Days

If a payment:

- (a) is due on a Note on a day which is not a Business Day then the due date for payment will be postponed to the first following day that is a Business Day; or
- (b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place,

and in either case, the Holder is not entitled to any additional payment in respect of that delay.

Nothing in this clause applies to any payment referred to in clause 7.1(b), which occurs on the Trigger Event Date as provided in clause 7.1.

11.4 Payment of principal

Payments of principal will be made to each person registered at the close of business on the payment date as the holder of a Note.

11.5 Payment of Interest

Payments of Interest in respect of a Note will be made to each person registered at the close of business on the Record Date as the holder of that Note.

11.6 Payments to accounts

Monies payable by the Issuer to a Holder may be paid in any manner in which cash may be paid as the Issuer decides, including by any method of direct credit determined by the Issuer to the Holder or Holders shown on the Register or to such person or place directed by them.

11.7 Payments by cheque

The Issuer may decide that payments in respect of the Note will be made by cheque sent by prepaid post on the payment date, at the risk of the registered Holder, to the Holder (or to the first named joint holder of the Note) at its address appearing in the Register at the close of business on the Record Date. Cheques sent to the nominated address of a Holder will be taken to have been received by the Holder on the payment date and, no further amount will be payable by the Issuer in respect of the Notes as a result of the Holder not receiving payment on the due date.

11.8 Unsuccessful attempts to pay

Subject to applicable law, where the Issuer:

- (a) decides that an amount is to be paid to a Holder by a method of direct credit and the Holder has not given a direction as to where amounts are to be paid by that method;
- (b) attempts to pay an amount to a Holder by direct credit, electronic transfer of funds or any other means and the transfer is unsuccessful;
- (c) has made reasonable efforts to locate a Holder but is unable to do so; or
- (d) has issued a cheque which has not been presented within six months of its date, then the Issuer may cancel such cheque,

then, in each case, the amount is to be held by the Issuer for the Holder in a non-interest bearing deposit with a bank selected by the Issuer until the Holder or any legal personal representative of the Holder claims the amount or the amount is paid by the Issuer according to the legislation relating to unclaimed moneys.

11.9 Payment to joint Holders

A payment to any one of joint Holders will discharge the Issuer's liability in respect of the payment.

11.10 No set-off or offsetting rights

- (a) A Holder:
 - (i) may not exercise any right of set-off against the Issuer in respect of any claim by the Issuer against that Holder; and
 - (ii) will have no offsetting rights or claims on the Issuer if the Issuer does not pay an amount when scheduled under these Terms.
- (b) The Issuer may not exercise any right of set-off against a Holder in respect of any claim by that Holder against the Issuer.

12 Taxation

12.1 No set-off, counterclaim or deductions

All payments in respect of the Notes must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless prohibited by law.

12.2 Withholding tax

Subject to clause 12.3, if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the Notes such that the Holder would not actually receive on the due date the full amount provided for under the Notes, then:

- (a) the Issuer agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and
- (b) if the amount deducted or withheld is in respect of Taxes imposed within Australia, the amount payable is increased so that, after making the deduction and further deductions applicable to additional amounts payable under this clause 12.2, each Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

12.3 Withholding tax exemptions

No Additional Amounts are payable under clause 12.2(b) in respect of any Note:

- (a) to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Note by reason of the person having some connection with Australia other than the mere holding of such Note or receipt of payment in respect of the Note provided that a Holder shall not be regarded as having a connection with Australia for the reason that the Holder is a resident of Australia within the meaning of the Tax Legislation where, and to the extent that, such taxes are payable by reason of section 128B(2A) of the Tax Legislation;
- (b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such Taxes by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar case for exemption to any tax authority;
- (c) in respect of which Taxes have been imposed or levied as a result of the Holder of the Notes being party to or participating in a scheme to avoid such Taxes, being a scheme to which the Issuer was neither a party to nor participated in;

- (d) to, or to a third party on behalf of, a Holder who is an Offshore Associate and not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act; or
- (e) to, or to a third party on behalf of an Australian resident Holder or a non-resident Holder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if the Holder has not supplied an appropriate tax file number, an Australian business number or other exemption details.

12.4 FATCA

The Issuer may withhold or make deductions from payments or from the issue of Ordinary Shares to a Holder where it is required to do so under or in connection with FATCA, or where it has reasonable grounds to suspect that the Holder or a beneficial owner of Notes may be subject to FATCA, and may deal with such payment, and any Ordinary Shares in accordance with FATCA. If any withholding or deduction arises under or in connection with FATCA, the Issuer will not be required to pay any further amounts and the Issuer will not be required to issue any further Ordinary Shares on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Holder or a beneficial owner of Notes for or in respect of any such withholding or deduction. A dealing with such payment and any Ordinary Shares in accordance with FATCA satisfies the Issuer's obligations to that Holder to the extent of the amount of that payment or issue of Ordinary Shares.

13 Meetings of Holders

13.1 Meeting Provisions

Meetings of Holders may be held in accordance with the Meeting Provisions. A meeting may consider any matter affecting the interests of Holders, including any variation to these Terms proposed by the Issuer in accordance with clause 14.

13.2 Convening a meeting

- (a) The Meeting Provisions contain provisions governing notice, quorum requirements and other matters relevant to the conduct of a meeting.
- (b) The Issuer:
 - (i) may convene a meeting at any time; and
 - (ii) must convene a meeting upon the request in writing of Holders who together hold 10% or more of the aggregate Face Value of all Notes outstanding (determined disregarding any Notes held beneficially by the Issuer or any of its Subsidiaries).
- (c) The Meeting Provisions also contain provisions for the passing of resolutions by writing signed by defined majorities of Holders.

13.3 Resolutions binding

Any resolution passed at any meeting of the Holders or by writing, in each case, in accordance with the Meeting Provisions, is binding on Holders, whether or not they are present at the meeting.

14 Amendment

14.1 Amendments without consent

At any time and from time to time, but subject to compliance with the Corporations Act and all other applicable laws, the Issuer may, without the consent of the Holders, amend these Terms or the Deed Poll if the Issuer is of the opinion that such amendment is:

- (a) of a formal or technical or minor nature;

- (b) made to cure any ambiguity or correct any manifest error;
- (c) necessary or expedient for the purpose of enabling the Notes to be offered for subscription or for sale under the laws for the time being in force in any place;
- (d) necessary to comply with the provisions of any statute or the requirements of any statutory authority;
- (e) is made in accordance with the Issuer's adjustment rights in clause 7;
- (f) is made to:
 - (i) amend the terms of the Notes to align them with any Relevant Term Subordinated Instrument issued after the Issue Date;
 - (ii) alter the definition of "Relevant Subordinated Instruments", "Relevant Tier 1 Capital Instruments" or "Relevant Term Subordinated Instruments" on account of the issue after the Issue date of capital instruments of the Issuer or the Suncorp Group; or
- (g) in any other case, not materially prejudicial to the interests of the Holders as a whole.

For the purposes of determining whether an amendment is not materially prejudicial to the interests of Holders as a whole, the taxation and regulatory capital consequences to a Holder (or any class of Holders) and other special consequences or circumstances which are personal to a Holder (or any class of Holders) do not need to be taken into account by the Issuer.

14.2 Amendment or Substitution of Approved Acquirer

At any time and from time to time, the Issuer may, without the consent of the Holders, amend these Terms as contemplated by clause 15.

14.3 Amendment with consent

Where clause 14.1 or clause 14.2 does not apply, the Issuer may amend these Terms with the approval of the Holders by Special Resolution in accordance with the Deed Poll.

14.4 Consents

Prior to any amendment under this clause 14, the Issuer must obtain any consent needed to the amendment and, in particular, any amendment which may affect the eligibility of the Notes as a Relevant Term Subordinated Instrument, is subject to the prior written consent of APRA.

14.5 Notification of amendments

The Issuer must notify the Holders of any amendments made in accordance with this clause 14.

14.6 Interpretation

In this clause 14, "**amend**" includes modify, cancel, amend, waive or add to, and "**amendment**" has a corresponding meaning.

15 Substitution of Approved Acquirer

15.1 Acquisition Event

Each Holder by acquiring a Note agrees that:

- (a) where either of the following occurs:
 - (i) a takeover bid (as defined in the Corporations Act) is made to acquire all, or some of, the Ordinary Shares and such offer is, or becomes, unconditional, all regulatory approvals necessary for the acquisition to occur have been obtained and either:

- (A) the bidder has at any time during the offer period, a relevant interest in more than 50% of the Ordinary Shares in issue; or
 - (B) the Directors issue a statement that at least a majority of its directors who are eligible to do so have recommended acceptance of such offer (in the absence of a higher offer); or
- (ii) a court orders the holding of meetings to approve a scheme of arrangement under Part 5.1 of the Corporations Act, which scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares that will be in issue after the scheme is implemented and:
- (A) all classes of members of the Issuer pass all resolutions required to approve the scheme by the majorities required under the Corporations Act, to approve the scheme; and
 - (B) all conditions to the implementation of the scheme, including any necessary regulatory or shareholder approvals (but not including approval of the scheme by the court), have been satisfied or waived,
- (each an **Acquisition Event**); and
- (b) the bidder (or its ultimate holding company) or the person having a relevant interest in the Ordinary Shares in the Issuer after the scheme is implemented (or any entity that Controls the bidder or the person having the relevant interest) is an Approved Acquirer,
- without the consent of the Holders (but with the prior written approval of APRA):
- (c) the Issuer may amend the terms of the Notes such that, unless APRA otherwise agrees, on any Trigger Event Date:
- (i) each Note that is being Converted in whole will be automatically transferred by each Holder free from encumbrance to the Approved Acquirer on the Trigger Event Date;
 - (ii) each Holder (or a Nominee in accordance with Clause 7.11, which provisions shall apply, subject to necessary changes, to such Approved Acquirer Ordinary Shares) of the Note being Converted will be issued a number of Approved Acquirer Ordinary Shares equal to the Conversion Number and the Conversion mechanics that would have otherwise been applicable to the determination of the number of Ordinary Shares shall apply (with any necessary changes) to the determination of the number of such Approved Acquirer Ordinary Shares; and
 - (iii) as between the Issuer and the Approved Acquirer, each Note held by the Approved Acquirer as a result of the transfer will be automatically Converted into a number of Ordinary Shares the aggregate market value of which equals the prevailing principal amount of that Note (determined on the basis as set out in clause 7 using a VWAP calculated on the basis of the last period of 5 Business Days on which trading in Ordinary Shares took place preceding, but not including, the Trigger Event Date (whether such period occurred before or after the Acquisition Event occurred) and subject in all cases to the Maximum Conversion Number); and
- (d) the Issuer may make such other amendments as in the Issuer's reasonable opinion are necessary and appropriate in order to effect the substitution of an Approved Acquirer as the issuer of the ordinary shares to be delivered upon Conversion in the manner contemplated by these Terms and consistent with the requirements of APRA in relation to Tier 2 Capital, including, without limitation:
- (i) to any one or more of the definitions of "Conversion," "Inability Event," "Ordinary Shares," "Relevant Subordinated Instruments," "Relevant Tier 1 Capital Instruments", "Relevant Term Subordinated Instruments" and "Non-Viability Trigger Event" and to

the procedures relating to Conversion and Write Off as contemplated in these Terms to reflect the identity of the Approved Acquirer as the issuer of the ordinary shares to be delivered upon Conversion;

- (ii) to cause any necessary adjustment to be made to the Maximum Conversion Number and to any relevant VWAP or Issue Date VWAP consistent with the principles of adjustment set out in clause 7; and
- (iii) to these Terms such that any right of Holders to require delivery of ordinary shares of the Approved Acquirer is consistent with the limited right of Holders to require delivery of Ordinary Shares following a Conversion as set out in these Terms.

15.2 Further substitution

After a substitution, as described in this clause 15, the Approved Acquirer may without the authority, approval or assent of the Holder of Notes, effect a further substitution as described in this clause (with necessary changes).

15.3 No further rights

A Holder has no right:

- (a) to require the Issuer to make any such amendment or to effect any such substitution; or
- (b) to vote upon, or otherwise require that its approval is obtained prior to the occurrence of, any Acquisition Event,

and acknowledges and agrees that there is no provision for any automatic adjustment to these Terms or the Deed Poll on account of an Acquisition Event other than by an Approved Acquirer in this clause 15.

15.4 No right or remedy against the Issuer

If an Acquisition Event occurs and the Issuer does not make any such amendment or substitution prior to the occurrence of a Trigger Event, Holders will remain entitled to Ordinary Shares in the Issuer upon Conversion, calculated on the basis of the VWAP for the five Business Days on which trading in Ordinary Shares last took place (subject to clause 6.5) and Holders shall have no right or remedy against the Issuer on account of such Acquisition Event occurring or as a result of any subsequent inability to adjust the VWAP.

16 General

16.1 Notices

(a) Notices to Holders

All notices and other communications by the Issuer to a Holder must be in writing and sent by fax or prepaid post (airmail if appropriate) to or left at the address of the Holder (as shown in the Register at the close of business on the day which is three Business Days before the date of the notice or communication) or sent by email or electronic message to the electronic address (if any) nominated by that person and may also be given:

- (i) by an advertisement published in *The Australian Financial Review*, *The Australian* or any other newspaper of national circulation in Australia; or
- (ii) where Notes are lodged in the Austraclear System, by delivery to the Austraclear System for communication by the Austraclear System to the persons shown in its records as having interests therein.

(b) Delivery of certain notices

Notwithstanding clause 16.1(a), an Interest Notice, an Early Redemption Notice, a Trigger

Event Notice, a Write-Off Notice, an Adjustment Notice, a Change of Agent Notice, an Issuer Details Notice or a notice of change of Specified Office may each be given to Holders by the Issuer publishing the notice on the Issuer's website.

(c) **Notices**

All notices and other communications to the Issuer, the Registrar or any other person (other than Holders) must be in writing and may be sent by fax or electronic messages to the electronic address (if any) of the addressee or by prepaid post (airmail if appropriate) to or may be left at the Specified Office of the Issuer, the Registrar or such other person.

(d) **Notices to the Issuer**

A notice or other communication given to the Issuer in connection with the Notes must be:

- (i) in legible writing or typing and in English;
- (ii) addressed as shown below:

Attention: Company Secretary
Address: Level 28
 Brisbane Square
 266 George Street
 Brisbane Queensland 4000

or

Email: investor.relations@suncorp.com.au

or to such other address or email address as the Issuer notifies to Holders as its address or email address (as the case may be) for notices or other communications in respect of these Terms from time to time (an Issuer Details Notice);

- (iii) (except as regards a communication sent by email) signed by the person making the communication or by a person duly authorised by that person; and
- (iv) delivered or posted by prepaid post or sent by email to the email address in each case in accordance with clause 16.1(d).

(e) **When effective**

Notices and other communications the subject of this clause 16.1 take effect from the time they are taken to be received unless a later time is specified in them.

(f) **Receipt – publication in newspaper or via Austraclear System**

If published in a newspaper, a notice or other communication is taken to be received on the first date that publication has been made in all the required newspapers or, where Notes are lodged in the Austraclear System, on the fourth Business Day after delivery to the Austraclear System.

(g) **Deemed receipt – postal, fax or email**

- (i) If sent by post, notices or other communications the subject of this clause 16.1 are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).
- (ii) If sent by fax, notices or other communications the subject of this clause 16.1 are taken to be received at the time shown in the transmission report as the time that the whole fax was sent.

- (iii) If sent by email, notices or other communications the subject of this clause 16.1 are taken to be received when:
 - (A) the sender receives an automated message confirming delivery; or
 - (B) four hours after the time sent (as recorded on the device from which the sender sent the email), provided that the sender does not receive an automated message within those four hours that the email has not been delivered.

(h) **Deemed receipt - general**

Despite clause 16.1(g), if notices or other communications the subject of this clause 16.1 are received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day in the place of receipt.

(i) **Copies of notices**

If these Terms or the Deed Poll requires a notice or other communication to be copied to another person, a failure to so deliver the copy will not invalidate the notice or other communication.

16.2 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless made within 10 years (in the case of principal) or 5 years (in the case of Interest and other amounts) from the date on which payment first became due.

16.3 Voting

- (a) The Deed Poll contains provisions for convening meetings of the Holders to consider any matter affecting their interests including certain amendments of these Terms which require the consent of the Holders.
- (b) A Holder has no right to attend or vote at any general meeting of the shareholders of the Issuer.

16.4 Further issues and dealings with securities

The Issuer may from time to time, without the consent of any Holder:

- (a) issue any securities ranking equally with the Notes (on the same terms or otherwise) or ranking in priority or junior to the Notes;
- (b) redeem, buy back, return capital on or convert any securities other than the Notes at any time;
- (c) subject to APRA's prior written consent, purchase or procure the purchase of the Notes from Holders at any time and at any price. Any Note purchased by or on behalf of the Issuer shall be cancelled; or
- (d) incur or guarantee any indebtedness upon such terms as it may think fit in its sole discretion.

16.5 Role of the Agents

- (a) In acting under its Agency Agreement in connection with the Notes, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Holders.
- (b) An Agent has no duties or responsibilities except those expressly set out in the relevant Agency Agreement, the Terms and the Deed Poll.

16.6 Change of Agent

- (a) The Issuer:

- (i) reserves the right at any time to terminate the appointment of any Agent in accordance with its Agency Agreement or otherwise and to appoint a successor or additional Agent; and
- (ii) may vary or terminate any Agency Agreement or other document entered into in connection with any Note without the consent of Holders,

provided that, in each case, so long as any Notes are outstanding, the Issuer must maintain the appointment of a Registrar with its specified office in Australia.

- (b) Notice of termination of an Agent's appointment and notice of appointment of a successor or additional Agent (each a "**Change of Agent Notice**") shall be given to the Holders in accordance with clause 16.1.

16.7 No other rights

The Notes confer no rights on a Holder:

- (a) to vote at any meeting of shareholders of the Issuer;
- (b) to subscribe for new securities or to participate in any bonus issues of securities of the Issuer; or
- (c) to otherwise participate in the profits or property of the Issuer,

except as set out in these Terms or the Deed Poll.

16.8 Governing law

These Terms and the Notes are governed by the laws in force in Queensland.

16.9 Jurisdiction

The Issuer and each Holder submits to the non-exclusive jurisdiction of the courts of Queensland for the purposes of any legal proceedings arising out of these Terms.

17 Interpretation and definitions

17.1 Interpretation

In these Terms, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a document includes all schedules or annexes to it;
- (d) a reference to a clause or paragraph is to a clause or paragraph of these Terms;
- (e) a reference to a document or instrument includes the document or instrument as novated, amended, supplemented or replaced from time to time;
- (f) a reference to "Australia" includes any political sub-division or territory in the Commonwealth of Australia;
- (g) a reference to "Australian dollars", "dollars", "AUD", "A\$", "\$", "Australian cents" or "cents" is a reference to the lawful currency of Australia;
- (h) a reference to time is to Sydney, Australia time;

- (i) other than in relation to a Non-Viability Trigger Event and a Conversion on a Trigger Event Date, if these Terms require an event to occur on a Business Day, and the date specified by these Terms for the occurrence of that event is not a Business Day, then that event is taken to occur on the next Business Day following that date;
- (j) a reference to a person includes a reference to the person's executors, administrators, successors and permitted assigns and substitutes;
- (k) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (l) a reference to a statute, ordinance, code, rule, directive or law (however described) includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (m) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (n) any agreement, representation or warranty by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (o) an Event of Default is subsisting if it has not been remedied or waived in writing;
- (p) headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Terms;
- (q) if the principal securities exchange on which Ordinary Shares are listed becomes other than ASX, unless the context otherwise requires, a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, ASX Settlement Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be);
- (r) any provisions which refer to the requirements of APRA or any other prudential regulatory requirements will apply to the Issuer only if the Issuer is an entity subject to regulation and supervision by APRA at the relevant time;
- (s) any provisions which require APRA's consent or approval (written or otherwise) will apply unless APRA has notified the Issuer in writing that it no longer requires that such consent or approval be given at the relevant time;
- (t) a reference to "Additional Tier 1 Capital", "Eligible Additional Tier 1 Capital", "Tier 1 Capital", "Tier 2 Capital" or "Related Entity" shall, if either term is replaced or superseded in any of APRA's applicable prudential regulatory requirements or standards (including the NOHC Authorisation), be taken to be a reference to the replacement or equivalent term;
- (u) any provisions in these Terms requiring the prior approval of APRA for a particular course of action to be taken by the Issuer do not imply that APRA has given its consent or approval to the particular action as of the Issue Date or that it will at any time give its consent or approval to the particular action;
- (v) nothing in these Terms shall confer rights on the holder of any Relevant Subordinated Instrument; and
- (w) a reference to the 'conversion' of a Relevant Subordinated Instrument includes an exchange or other method by which holders come to be issued with Ordinary Shares in place of the Relevant Subordinated Instrument.

17.2 Definitions

In these Terms, these meanings apply unless the contrary intention appears:

Acquisition Event has the meaning given in clause 15.1;

Additional Amount means an additional amount payable by the Issuer under clause 12.2(b);

Additional Tier 1 Capital means Additional Tier 1 capital as defined by APRA in accordance with the Prudential Standards from time to time;

Adjustment Notice has the meaning given in clause 7.8;

Agency Agreement means an agreement entered into between the Issuer and an Agent under which the Issuer appoints the Agent to act as Agent, and includes the Registry Agreement;

Agent means the Registrar, the Calculation Agent or the Paying Agent;

Approved Acquirer means the ultimate holding company of the Issuer (whether incorporated in Australia or elsewhere) arising as a result of an Approved Acquisition Event;

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

Approved Acquisition Event means an Acquisition Event in respect of which each of the following conditions is satisfied:

- (a) the entity which has or is to become the Approved Acquirer has assumed all of the Issuer's obligations to Convert the Notes into Ordinary Shares by undertaking to convert such Notes into Approved Acquirer Ordinary Shares on a Non-Viability Trigger Event in respect of the Approved Acquirer;
- (b) the Approved Acquirer Ordinary Shares are listed on ASX or another recognised exchange; and
- (c) the Issuer, in its sole and absolute discretion, has determined that the arrangements for the issuance of Approved Acquirer Ordinary Shares to Holders following a Non-Viability Trigger Event are in the best interests of the Issuer having regard also to the interests of the Holders and are consistent with applicable law and regulation (including, but not limited to, the guidance of APRA or any other applicable regulatory authority);

APRA means the Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of the Issuer or the Suncorp Group;

ASX means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires;

ASX Listing Rules means the listing rules of ASX;

ASX Operating Rules means the market operating rules of ASX as amended, varied or waived (whether in respect of the Issuer or generally) from time to time;

ASX Settlement Operating Rules means the settlement operating rules of ASX from time to time with any applicable modifications or waivers granted by ASX;

Attorney has the meaning given in clause 7.12;

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

Austraclear Participant means a Participant as defined in the Austraclear Regulations;

Austraclear Regulations means the regulations known as the 'Regulations and Operating Manual' established by Austraclear (as amended from time to time) to govern the use of the Austraclear System;

Austraclear System means the system operated by Austraclear for holding the Notes and the electronic recording and settling of transactions in those Notes between members of that system (or any system that replaces it relevant to the Notes);

Bank Bill Rate has the meaning given in clause 3.2;

Banking Act means the Banking Act 1959 of Australia;

Business Day means:

- (a) for the purposes of clauses 6 and 7, a business day as defined in the ASX Listing Rules;
- (b) for the purposes of calculation or payment of Interest or any other amount, a day on which:
 - (i) banks are open for business in Sydney, New South Wales; and
 - (ii) the Austraclear System is operating; and
- (c) for all other purposes, a day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Sydney, New South Wales;

Calculation Agent means the Registrar or such other person as the Issuer may appoint to act as calculation agent for the purposes of a provision of these Terms;

Capital Notes means the A\$375,000,000 perpetual, convertible, subordinated and unsecured notes issued on 5 May 2017 by the Issuer pursuant to a prospectus dated 4 April 2017;

Capital Notes 2 means the A\$375,000,000 perpetual, convertible, subordinated and unsecured notes issued on 24 November 2017 by the Issuer pursuant to a prospectus dated 31 October 2017;

Change of Agent Notice has the meaning given in clause 16.6(b);

CHESS means the Clearing House Electronic Sub-register System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) (or any system that replaces it relevant to the Notes);

Control has the meaning given in the Corporations Act;

Conversion means the conversion of all or some Notes into the Conversion Number of Ordinary Shares in accordance with and subject to clauses 6 and 7. “Convert”, “Converting” and “Converted” bear the corresponding meanings;

Conversion Number has the meaning given in clause 7.1(a);

Corporations Act means the Corporations Act 2001 of Australia;

Costs includes costs, charges and expenses;

CPS3 means the A\$400,000,000 convertible preference shares issued on or about 8 May 2014 by the Issuer pursuant to a prospectus dated 8 April 2014;

Cum Value has the meaning given in clause 7.2(a);

Day Count Fraction means for any Interest Period or other period, the actual number of days in the Interest Period or other period (from and including the first day of such period to but excluding the last day of such period) divided by 365;

Deed Poll means the deed entitled “Suncorp Wholesale Subordinated Notes due 2028 Deed Poll” dated on or around the Issue Date;

Directors means some of all of the directors of the Issuer acting as a board;

Early Redemption Date means the date on which a Note is to be Redeemed as specified in the Early Redemption Notice or if that day is not a Business Day, the following Business Day;

Early Redemption Notice has the meaning given in clause 5.5(a);

Eligible Additional Tier 1 Capital means “Eligible Additional Tier 1 Capital” as defined in the NOHC Authorisation or any successor requirement as designated by APRA;

Equal Ranking Creditors means creditors of the Issuer (present and future), other than Holders, whose claims against the Issuer arise under instruments issued by the Issuer as Relevant Term Subordinated Instruments;

Event of Default means the happening of any event set out in clause 8.1;

External Administrator means, in respect of a person:

- (a) a liquidator, a provisional liquidator, an administrator or a statutory manager of that person; or
- (b) a receiver, or a receiver and manager, in respect of all or substantially all of the assets and undertakings of that person,

or in either case any similar official;

Face Value means the principal amount of each Note, being A\$10,000;

FATCA means the *Foreign Account Tax Compliance Act* provisions, sections 1471 through 1474 of the United States Internal Revenue Code (including any regulations or official interpretations issued, agreements entered into or non-US laws enacted with respect to those provisions);

FATCA Withholding means any deduction or withholding imposed or required pursuant to FATCA;

Foreign Holder means a Holder:

- (a) whose address in the Register is a place outside Australia; or
- (b) who the Issuer otherwise believes may not be a resident of Australia or may be a person to whom the issue of Ordinary Shares may be restricted by the laws of another jurisdiction (but the Issuer will not be bound to enquire into those laws);

Holder means, in respect of a Note:

- (a) for the purposes of determining the person entitled to be treated as the holder of Ordinary Shares or to be allotted and issued Ordinary Shares under these Terms and purposes incidental thereto (including, without limitation, for the purposes of clauses 6.2(e), 7.1, 7.10, 7.11 and 7.16), or where Ordinary Shares are to be issued to a Nominee, the Proceeds of sale of Ordinary Shares and the amount of their entitlements, for so long as a Note is held in the Austraclear System and Ordinary Shares are not able to be lodged in the Austraclear System, a person who is the relevant Austraclear Participant; and
- (b) for all other purposes, the person whose name is entered on the Register as the holder of that Note;

Holder Details Notice means a notice in the form available from the Registrar;

Inability Event means the Issuer is prevented by applicable law, or order of any court, or action of any government authority or External Administrator (including regarding the insolvency, winding-up or other external administration of the Issuer) or any other reason from Converting the Notes;

Ineligible Holder means:

- (a) a Holder who the Issuer believes is prohibited or restricted by any applicable law or regulation in force in Australia from being offered, holding or acquiring Ordinary Shares (as to which the Issuer will not be bound to enquire); or
- (b) a Foreign Holder;

Information Memorandum means the Information Memorandum relating to the offering and issuance of the Notes dated on or about 29 August 2018;

Insurance Act means the Insurance Act 1973 of Australia;

Interest has the meaning given in clause 3.1;

Interest Notice has the meaning given in clause 4.2;

Interest Payment Date means in respect of a Note, 5 December, 5 March, 5 June and 5 September in each year (until the first to occur of the Maturity Date and an Early Redemption Date in respect of that Note) with the first Interest Payment Date being 5 December 2018. If any of these dates is not a Business Day, the Interest Payment Date is the following Business Day;

Interest Period means, for a Note, each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

- (b) the first Interest Period commences on (and includes) the Issue Date; and
- (c) the final Interest Period ends on (but excludes) the Maturity Date or the Early Redemption Date;

Interest Rate means, in respect of an Interest Period, for a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note calculated or determined in accordance with clause 3.2;

Issue Date means, in respect of a Note, the date on which that Note is issued;

Issue Date VWAP means the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but not including the Issue Date, as adjusted in accordance with clause 7;

Issuer means Suncorp Group Limited (ABN 66 145 290 124);

Issuer Details Notice has the meaning given in clause 16.1(d);

Junior Ranking Creditors means in respect of the Notes, creditors of the Issuer (present and future) whose claims against the Issuer arise under instruments issued by the Issuer as Relevant Tier 1 Capital Instruments or whose claims are in respect of a shareholding including the claims described in section 563AA and in section 563A of the Corporations Act;

Life Insurance Act means the Life Insurance Act 1995 of Australia;

Margin means the margin determined in accordance with clause 3.2;

Maturity Date means 5 December 2028 or if that day is not a Business Day, the following Business Day;

Maximum Conversion Number has the meaning given in clause 7.1(a);

Meeting Provisions means the provisions for meetings of the Holders set out in schedule 2 to the Deed Poll;

NOHC Authorisation means the Issuer's authorisation to be a non-operating holding company of a general insurer dated 22 September 2017 (as it may be amended);

Nominee means each nominee (who cannot be a Related Entity of the Issuer) appointed by the Issuer under a facility established for the sale or transfer of Ordinary Shares issued on Conversion, in accordance with clause 7.11;

Non-Viability Determination has the meaning given in clause 6.1;

Non-Viability Trigger Event has the meaning given in clause 6.1;

Note has the meaning given in clause 1.1;

Offshore Associate means an associate (as defined in section 128F of the Tax Legislation) of the Issuer that is either:

- (a) a non-resident of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia that acquires the Notes in carrying on a business at or through a permanent establishment outside Australia;

Ordinary Resolution has the meaning given in the Meeting Provisions;

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

Paying Agent means Suncorp-Metway Limited (ABN 66 010 831 722) or such other person as the Issuer may appoint to act as paying agent in connection with the Notes;

Payment Default has the meaning given in clause 8.1(a);

Proceeds means the net proceeds of a sale of Ordinary Shares actually received by the Nominee calculated after deduction of any applicable brokerage, stamp duty and other taxes (including, without limitation, FATCA Withholding) and charges, including the Nominee's reasonable out of pocket Costs properly incurred by or on its behalf in connection with such sale from the sale price of the Ordinary Shares;

Prudential Standards means the prudential standards and guidelines of APRA applicable to a Regulated Entity within the Suncorp Group from time to time;

Record Date means, for payment of Interest, the date which is eight calendar days before the applicable Interest Payment Date;

Redemption means the redemption of a Note in accordance with clause 5 and the words **Redeem** and **Redeemed** bear their corresponding meanings;

Register means the register of Holders (established and maintained under clause 1.4(b) of the Deed Poll);

Registrar means Austraclear Services Limited (ABN 28 003 284 419) or any other person appointed by the Issuer to maintain the Register and perform any other duties as specified in the Registry Agreement;

Registry Agreement means the agreement entitled "The ASX Austraclear Registry and IPA Services Agreement" dated on or about 17 August 2018 between the Issuer and Austraclear Services Limited (ABN 28 003 284 419);

Registry Office means the office of the Registrar as specified in the Registry Agreement or such other office which is notified by the Issuer to Holders from time to time;

Regulated Entity means an authorised deposit-taking institution under the Banking Act, a general insurer under the Insurance Act, a registered life insurance company under the Life Insurance Act, any holding company of such entity, or other prudentially regulated entity;

Regulatory Event means:

- (a) the receipt by the Directors of an opinion from a reputable legal counsel that, as a result of any amendment to, clarification of or change (including any announcement of a change that will be introduced) in any law or regulation (including prudential standards) or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulation or any statement of APRA which amendment, clarification or change is effective, or pronouncement, action or decision is announced, on or after the Issue Date (and which, on the Issue Date, is not expected by the Issuer to come into effect), additional requirements would be imposed on the Issuer in relation to or in connection with Notes which the Directors determine, in their absolute discretion, to be unacceptable;
- (b) following a notification from, or announcement or determination by, APRA, the Directors determine in their absolute discretion that the Issuer is not or will not be entitled to treat the Notes in full as a Relevant Term Subordinated Instrument, except where the reason the Issuer is not entitled to so treat the Notes is because of a prudential limit or other restriction which is in effect on the Issue Date or which on the Issue Date is expected by the Issuer to come into effect;

Related Entity has the meaning given by APRA from time to time;

Relevant Subordinated Instruments means Relevant Tier 1 Capital Instruments and Relevant Term Subordinated Instruments;

Relevant Term Subordinated Instrument means a term subordinated instrument issued by the Issuer or another member of the Suncorp Group which:

- (a) in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written-off where APRA makes a determination as referred to in clause 6.1; and
- (b) has been confirmed in writing by APRA to the Issuer as constituting as at the date of its issue an instrument the proceeds of which APRA permits the Suncorp Group to use to fund Tier 2 Capital of a Regulated Entity within the Suncorp Group,

and includes, for so long as they are on issue, the Suncorp Subordinated Notes and the Notes;

Relevant Tier 1 Capital Instrument means a perpetual subordinated instrument issued by the Issuer or another member of the Suncorp Group which:

- (a) in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written-off where APRA makes a determination as referred to in clause 6.1; and
- (b) constitutes Eligible Additional Tier 1 Capital of the Issuer or the Suncorp Group as at the date of its issue;

and includes, for so long as they are on issue, CPS3, Capital Notes and Capital Notes 2;

Reorganisation means, in relation to the Issuer, a division, consolidation or reclassification of the Issuer's share capital not involving any cash payment or other distribution (or consideration) to or by holders of Ordinary Shares;

Senior Ranking Creditors means all creditors of the Issuer (present and future) other than:

- (a) Holders;
- (b) Equal Ranking Creditors; and

(c) Junior Ranking Creditors;

Solvency Condition has the meaning given in clause 2.2;

a person is **Solvent** if:

(a) it is able to pay its debts when they fall due; and

(b) its assets exceed its liabilities,

in each case, determined on an unconsolidated stand-alone basis;

Special Resolution has the meaning given in the Meeting Provisions;

Specified Office means, for a person, that person's office specified in the Information Memorandum or any other address notified to Holders from time to time;

Subsidiary has the meaning given in the Corporations Act;

Suncorp Group means the Issuer and each of its Subsidiaries;

Suncorp Subordinated Notes means the A\$770,000,000 unsecured and subordinated notes issued on 22 May 2013 by the Issuer pursuant to a prospectus dated 18 April 2013;

Taxes means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the net income of the Holder;

Tax Event means the receipt by the Directors of an opinion from a reputable legal counsel or other tax adviser in Australia, experienced in such matters to the effect that, as a result of:

(a) any amendment to, clarification of, or change (including any announcement of a change that will be introduced), in the laws or treaties or any regulations of Australia or any political subdivision or taxing authority of Australia affecting taxation;

(b) any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) affecting taxation (**Administrative Action**); or

(c) any amendment to, clarification of, or change in an Administrative Action that provides for a position that differs from the current generally accepted position; or

(d) a challenge asserted or threatened in writing in connection with the Notes relating to taxation,

in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known, which amendment, clarification, change or Administrative Action is effective, or which pronouncement or decision is announced, on or after the Issue Date and which is not expected by the Issuer on the Issue Date, there is more than an insubstantial risk which the Directors determine (having received all approvals they consider in their absolute discretion to be necessary (including from APRA)) at their absolute discretion to be unacceptable that:

(e) the Issuer would be required to pay Additional Amounts in respect of the Notes;

(f) any interest payable in respect of the Notes is not or may not be allowed as a deduction for Australian income tax purposes (whether in full or to some material extent); or

(g) the Issuer would be exposed to more than a *de minimis* increase in its costs (including without limitation through the imposition of any taxes, duties, assessments or other charges or as a consequence of the Notes not satisfying the requirements of a "debt interest" as that term is

defined in the Tax Legislation) or more than a *de minimis* adverse tax consequence in relation to the Notes;

Tax Legislation means:

- (a) the Income Tax Assessment Act 1936 of Australia, the Income Tax Assessment Act 1997 of Australia or the Taxation Administration Act 1953 of Australia (and a reference to any section of the Income Tax Assessment Act 1936 includes a reference to that section as rewritten in the Income Tax Assessment 1997);
- (b) any other law setting the rate of income tax payable; and
- (c) any regulation made under such laws;

Terms means these terms and conditions;

Tier 1 Capital means Tier 1 capital as defined by APRA in accordance with the Prudential Standards from time to time;

Tier 2 Capital means Tier 2 capital as defined by APRA in accordance with the Prudential Standards from time to time;

Trigger Event Date means the date on which APRA notifies the Issuer of a Non-Viability Trigger Event as contemplated in clause 6.1;

Trigger Event Notice has the meaning given in clause 6.2(d);

VWAP means, subject to any adjustments made under clause 7, the average of the daily volume weighted average prices of Ordinary Shares traded on ASX during the relevant period or the relevant days (such average being rounded to the nearest full cent) but does not include any “Crossing” transacted outside the “Open Session State” or any “Special Crossing” transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades pursuant to the exercise of options over Ordinary Shares;

VWAP Period means:

- (a) in the case of the Issue Date VWAP, the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Issue Date; or
- (b) otherwise, the period of five Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Trigger Event Date;

Winding-up Default has the meaning given in clause 8.1(b);

Write-Off Notice has the meaning given in clause 6.5; and

Written-Off has the meaning given in clause 6.5 and **Write-Off** has a corresponding meaning.

Subscription and Sale

Pursuant to the Subscription Agreement dated 29 August 2018 (“**Subscription Agreement**”), Notes will be offered by the Issuer through the Joint Lead Managers. The Issuer will have the sole right to accept any such offers to purchase Notes and may reject any such offer in whole or (subject to the terms of such offer) in part. A Joint Lead Manager will have the right, in its discretion reasonably exercised, to reject any offer to purchase Notes made to it in whole or (subject to the terms of such offer) in part.

Each Joint Lead Manager has acknowledged that no action has been or will be taken in any country or jurisdiction by the Issuer or the Joint Lead Manager that would permit a public offering of Notes, or possession or distribution of any offering material in a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

By its purchase and acceptance of Notes issued under the Subscription Agreement, each Joint Lead Manager will be required to agree that it will observe all applicable laws in any jurisdiction in which it may offer, sell, or deliver Notes and that it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes in any country or jurisdiction except under circumstances that will result in compliance with all applicable laws.

1 General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Information Memorandum comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver Notes or have in their possession or distribute or publish this Information Memorandum or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Notes under the applicable law, directive or regulation in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and neither the Issuer nor any Joint Lead Manager has responsibility for such matters. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer or any Joint Lead Manager being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Notes in Australia, the European Economic Area, Hong Kong, Japan, Republic of Korea, Malaysia, New Zealand, Singapore, Switzerland, Taiwan, the United Kingdom and the United States of America as set out below.

2 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the issue and sale of Notes has been, or will be, lodged with ASIC. Each Joint Lead Manager has represented and agreed that it:

- (a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published and will not distribute or publish, this Information Memorandum or any other offering material or advertisement relating to the Notes in

Australia,

unless:

- (i) the aggregate consideration payable by each offeree is a minimum of A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “**retail client**” as defined for the purposes of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws and directives (including, without limitation, the licensing requirements of Chapter 7 of the Corporations Act); and
- (iv) such action does not require any document to be lodged with, or registered by, ASIC.

3 European Economic Area

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

4 Hong Kong

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered or sold, and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong (“**SFO**”)) other than:
 - (i) to “professional investors” as defined in the SFO and any rules made under the SFO; or
 - (ii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and

Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue, or have in its possession for the purpose of issue, (whether in Hong Kong or elsewhere) any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are, or are intended to be, disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

5 Japan

The Notes have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the “**FIEL**”) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Notes may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Notes or any underlying ordinary shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Notes is conditional upon the execution of an agreement to that effect.

6 Republic of Korea

The Issuer is not making any representation with respect to the eligibility of any recipients of this Information Memorandum to acquire the Notes under the laws of Korea, including, without limitation, the Foreign Exchange Transaction Act and regulations thereunder. The Notes have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of Korea (“**FSCMA**”) and therefore may not be offered or sold (directly or indirectly) in Korea or to any resident of Korea or to any persons for re-offering or resale in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its enforcement decree), except as permitted under the applicable laws and regulations of Korea.

Accordingly, the Notes may not be offered or sold in Korea other than to “accredited investors” (as defined in the FSCMA).

7 Malaysia

This Information Memorandum may not be distributed or made available in Malaysia. The Notes are not being offered or made available for purchase in Malaysia. Any offer of Notes may not be accepted from any investor in Malaysia.

8 New Zealand

This Information Memorandum has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “**FMC Act**”). The Notes are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act;
or
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

9 Singapore

This Information Memorandum and any other materials relating to the Notes have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Notes, may not be issued, circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Information Memorandum has been given to you on the basis that you are (i) an “institutional investor” (as defined in the SFA) or (ii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Information Memorandum immediately. You may not forward or circulate this Information Memorandum to any other person in Singapore.

Any offer is not made to you with a view to the Notes being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Notes and any underlying ordinary shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

10 Switzerland

The Notes may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this Information Memorandum nor any other offering material relating to the Notes (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 *et seqq.* of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this Information Memorandum will not be filed with, and the offer of Notes will not be supervised by, the Swiss Financial Market Supervisory Authority.

Neither this Information Memorandum nor any other offering material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. The Notes will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This Information Memorandum is personal to the recipient and not for general circulation in Switzerland.

11 Taiwan

The Notes have not been registered in Taiwan nor approved by the Financial Supervisory Commission of the Republic of China (Taiwan). Holders of the Notes and any underlying ordinary shares may not resell them in Taiwan nor solicit any other purchasers in Taiwan for this offering.

12 United Kingdom

In addition to the requirements of paragraph 3 above (“European Economic Area – Prohibition of Sales to EEA Retail Investors”), each Joint Lead Manager has represented and agreed that:

- (a) it has complied, and will comply, with all applicable provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom; and
- (b) it has only communicated, or caused to be communicated, and will only communicate, or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer.

13 United States of America

Neither the Notes nor the Ordinary Shares have been, nor will they be, registered under the U.S. Securities Act, the securities laws of any state of the United States or the securities laws of any other jurisdiction and the Notes may not be offered, sold, pledged, delivered, transferred or otherwise disposed of, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. Terms used in the preceding sentence and the following paragraph, have the meaning given to them by Regulation S under the U.S. Securities Act.

Each Joint Lead Manager has represented and agreed that it will not offer, sell or deliver any Notes: (i) as part of its distribution at any time; or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date of the Notes (“**Distribution Compliance Period**”), within the United States or to, or for the account or benefit of, U.S. persons. Each Joint Lead Manager has agreed that it will send to each purchaser to which it sells any Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

Australian Taxation

1 Introduction

This summary of the Australian tax consequences is based on the Income Tax Assessment Acts of 1936 and 1997 (together, “**Australian Tax Act**”), the Taxation Administration Act 1953, the A New Tax System (Goods and Services Tax) Act 1999 (“**GST Act**”) and any relevant regulations, rulings or judicial or administrative pronouncements, at the date of this document.

This summary applies to Holders that are:

- (a) residents of Australia for tax purposes that do not hold their Notes in the course of carrying on a business outside of Australia, and non-residents of Australia for tax purposes that hold their Notes in the course of carrying on a business at or through a permanent establishment in Australia (“**Australian Holders**”), and
- (b) non-residents of Australia for tax purposes that do not hold their Notes in the course of carrying on a business at or through a permanent establishment in Australia, and Australian tax residents that hold their Notes in the course of carrying on a business outside of Australia (“**Non-Australian Holders**”).

This summary is not exhaustive and, in particular, does not deal with the position of certain classes of Holders (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of any person).

This summary is not intended to be, nor should it be construed as legal or tax advice to any particular holder of Notes. Each Holder should seek professional tax advice in relation to their particular circumstances.

2 Australian income tax

Interest payments

Australian Holders will be required to include any Interest in respect of their Notes in their Australian assessable income.

Whether the Interest should be recognised as assessable income on a realisation or accruals basis will depend on the individual circumstances of the Australian Holder (see also the “*taxation of financial arrangements*” summary below).

Non-Australian Holders should not be subject to Australian income tax in respect of Interest payments received on their Notes. This is on the basis that the Issuer intends to satisfy the requirements of section 128F of the Australian Tax Act in respect of Interest paid on Notes (see summary below).

Gain on disposal or redemption of the Notes

Australian Holders will be required to include any gain or loss on disposal or redemption of Notes in their assessable income. Depending on the circumstances of the Australian Holder, either the rules relating to “traditional securities” (in sections 26BB and 70B of the Australian Tax Act) or “taxation of financial arrangements” (see summary below) should apply.

For the purpose of calculating an Australian Holder’s gain or loss on disposal or redemption of Notes:

- the cost of a Note should generally be its Face Value for Holders who acquire Notes under this document;

- the proceeds from a disposal will generally be the gross amount received by the Holder in respect of the disposal of Notes; and
- if the Notes are Redeemed by the Issuer, the proceeds from the redemption may be taken to exclude any parts of the redemption amount paid to Holders that are referable to any accrued and unpaid Interest on Notes. Those Interest amounts may be treated in the same manner as Interest payments received during the term of Notes. Again, Holders should seek their own taxation advice in relation to the application of the Australian Tax Act to their particular circumstances.

Non-Australian Holders should not be subject to Australian income tax on gains made on the disposal or redemption of Notes, provided:

- if the Non-Australian Holder is not a resident of a country with which Australia has entered into a comprehensive double tax treaty – such gains do not have an Australian source and, in the case of redemption by the Issuer, are not deemed to include interest or amounts in the nature of interest; or
- if the Non-Australian Holder is a resident of a country with which Australia has entered into a comprehensive double tax treaty – the Non-Australian Holder is fully entitled to the benefits of the double tax treaty to exclude Australia’s jurisdiction to tax the income and, in the case of redemption by the Issuer, the income does not include interest or income in the nature of interest.

A gain arising on the sale of Notes by a Non-Australian Holder to another Non-Australian Holder where Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia should not be regarded as having an Australian source.

If a gain realised by a Non-Australian Holder is subject to Australian income tax, depending on the circumstances of the Holder, either the rules relating to “traditional securities” or “taxation of financial arrangements” should apply.

No gain on Conversion of the Notes

Holders (whether an Australian Holder or a Non-Australian Holder) should not make any taxable gain or loss if Notes are Converted into Ordinary Shares. This is because any gain or loss on the Conversion should be disregarded under the Australian Tax Act.

Ordinary Shares acquired as a consequence of the Conversion should generally be treated as having a cost base and reduced cost base for Australian capital gains tax (“CGT”) purposes equal to the cost base of Notes at the time of Conversion. For Australian CGT purposes, the acquisition date of the Ordinary Shares should generally be the time of Conversion. This will be relevant in the event that an Australian Holder subsequently disposes of the Ordinary Shares.

In the case of a Non-Australian Holder, any capital gain or loss made by that Holder from any subsequent disposal of Ordinary Shares is likely to be disregarded for Australian CGT purposes. This is because the Ordinary Shares are not likely to be “taxable Australian property” (as defined under the Australian Tax Act) at the time of disposal.

Holders should seek their own taxation advice if their Notes are converted into Ordinary Shares.

3 Australian interest withholding tax

Interest Withholding Tax

For Australian interest withholding tax (“IWT”) purposes, “interest” is defined in section 128A(1AB) of the Australian Tax Act to include amounts in the nature of, or in substitution for,

interest and certain other amounts. The Interest paid on Notes should be “interest” as defined in the Australian Tax Act.

Australian Holders should not be subject to Australian IWT in respect of Interest payments on Notes.

Non-Australian Holders may be subject to Australian IWT at a rate of 10 per cent of the gross amount of Interest paid by the Issuer to the Non-Australian Holder unless an exemption is available.

Section 128F exemption from IWT

An exemption from IWT is available in respect of Interest paid on Notes if the requirements of section 128F of the Australian Tax Act are satisfied.

The Issuer intends to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

In broad terms, the requirements are as follows:

- (a) the Issuer is a resident of Australia and a company (as defined in section 128F(9) of the Australian Tax Act) when it issues the Notes and when interest is paid; and
- (b) the Notes are issued in a manner which satisfies the “public offer” test in section 128F of the Australian Tax Act.

In relation to the Notes, there are five principal methods of satisfying the public offer test. In summary, the five methods are:

- (i) offers to 10 or more unrelated financiers, or securities dealers or entities that carry on the business of investing in securities;
 - (ii) offers to 100 or more investors of a certain type;
 - (iii) offers of listed Notes;
 - (iv) offers via publicly available information sources; or
 - (v) offers to a dealer, manager or underwriter who offers to sell the Notes within 30 days by one of the preceding methods;
- (c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes (or interests in those Notes) were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act (see below); and
 - (d) at the time of the payment of Interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act (see below).

An “associate” of the Issuer for the purposes of section 128F of the Australian Tax Act includes, when the Issuer is not a trustee:

- a person or entity which holds more than 50 per cent of the voting shares of, or otherwise controls, the Issuer;

- an entity in which more than 50 per cent of the voting shares are held by, or which is otherwise controlled by, the Issuer;
- a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust; and
- a person or entity who is an “associate” of another person or company which is an “associate” of the Issuer under any of the foregoing.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (c) and (d) above) an “associate” of the Issuer does not include a Non-Australian Holder that is acting in the capacity of:

- in the case of section 128F(5) only, a dealer, manager or underwriter in relation to the placement of the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme (for the purposes of the Corporations Act), or
- in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager, responsible entity of a registered managed investment scheme (for the purposes of the Corporations Act).

Exemptions under certain double tax conventions

Exemptions from IWT are also available for certain non-residents of Australia under double tax conventions.

The Australian government has signed new or amended double tax conventions (“**New Treaties**”) with a number of countries (each a “**Specified Country**”).

Broadly, the New Treaties effectively prevent IWT applying to interest derived by:

- the governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and
- a “financial institution” resident in a Specified Country which is unrelated to and dealing wholly independently with the Issuer. The term “financial institution” refers to either a bank or any other enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest paid under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation. This listing is available to the public at the Federal Treasury’s Department website.

Payment of Additional Amounts

As set out in more detail in clause 12 of the Terms, if the Issuer is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Australian government in respect of Notes, the Issuer must, subject to certain exemptions contained in clause 12.3 of the Terms, pay such Additional Amounts as may be necessary in order to ensure that the net amounts received by the Holders of those Notes after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required.

4 Other Australian tax matters

Under Australian laws as presently in effect:

- (a) **taxation of financial arrangements** – Division 230 of the Australian Tax Act contains tax timing rules for certain taxpayers to bring to account gains and losses from “financial arrangements”. The rules do not alter the rules relating to the imposition of IWT nor override the IWT exemption available under section 128F of the Australian Tax Act.

A number of elective tax timing methods are available under Division 230. If none of the tax timing elections are made, the default accruals/realisation methods should apply to the taxpayer. Under the default methods, if the gains or losses from a financial arrangement are sufficiently certain, they should be brought to account for tax on an accruals basis. Otherwise, they should be brought to account for tax when they are realised.

Division 230 does not apply to certain taxpayers or in respect of certain short term “financial arrangements”. Division 230 should not, for example, generally apply to Holders of Notes which are individuals and certain other entities (e.g. certain superannuation entities, certain managed investment schemes and companies) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their “financial arrangements”. Potential Holders should seek their own tax advice regarding their own personal circumstances as to whether such an election should be made;

- (b) **stamp duty and other taxes** – no *ad valorem* stamp, issue, registration or similar taxes are payable in Australia on:

- (i) the issue, transfer or redemption of any Notes; or
- (ii) the issue or transfer of Ordinary Shares (including an issue of Ordinary Shares as a result of a Conversion) provided that:
 - (i) if all the shares in the Issuer are quoted on ASX at the time of issue or transfer of the Ordinary Shares, no person, either directly or when aggregated with interests held by associates of that person, obtains an interest in the Issuer of 90% or more; or
 - (ii) if not all the shares in the Issuer are quoted on ASX at the time of issue or transfer of the Ordinary Shares, no person, either directly or when aggregated with interests held by associates of that person, obtains an interest in the Issuer of 50% or more.

The stamp duty legislation generally requires the interests of associates to be added in working out whether the relevant threshold is reached. In some circumstances, the interests of unrelated entities can also be aggregated together in working out whether the relevant threshold is reached;

- (c) **TFN/ABN withholding** – withholding tax is imposed on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“**TFN**”), (in certain circumstances) an Australian Business Number (“**ABN**”) or proof of some other exception (as appropriate). Currently, a withholding rate of 47 per cent applies to payments of interest. Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, then withholding will not apply to payments to a Non-Australian Holder. Payments to Australian Holders in respect of Notes may be subject to a withholding where the Australian Holder does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate);

- (d) **dividend withholding tax** — Non-Australian Holders may be subject to dividend withholding tax (“DWT”) on certain distributions paid on equity interests in Australian resident entities (such as Ordinary Shares). Non-Australian Holders should consider the application of DWT in the event the Holder’s Notes are converted into Ordinary Shares. DWT is generally imposed to the extent “franking credits” do not attach to the relevant distribution or the distribution is not declared to be “conduit foreign income”. Australian DWT is imposed at a general rate of 30 per cent but the rate may be reduced under an applicable double tax treaty. The Issuer does not “gross-up” distributions on its Ordinary Shares to account for the imposition of DWT;
- (e) **additional withholdings from certain payments to non-residents** – the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of Notes will need to be monitored by Holders;
- (f) **garnishee directions by the Commissioner of Taxation** – the Commissioner may give a direction requiring the Issuer to deduct from any payment to a Holder of Notes or the holder of an Ordinary Share any amount in respect of Australian tax payable by the Holder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and will make any deduction required by that direction;
- (g) **supply withholding tax** – payments in respect of the Notes can generally be made free and clear of any “supply withholding tax”; and
- (h) **goods and services tax** – neither the issue nor receipt of Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of Face Value or Interest by the Issuer, nor the disposal of Notes, would give rise to any GST liability in Australia.

U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard

FATCA

Under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”), a 30% withholding (“**FATCA withholding**”) may be required if (i)(A) an investor does not provide information sufficient for the Issuer or any other non-U.S. financial institution (“**FFI**”) through which payments on the Notes are made to determine the Holder’s status under FATCA, or (B) an FFI to or through which payments on the Notes are made is a “non-participating FFI”; and (ii) the Notes are treated as debt for U.S. federal income tax purposes and the payment is made in respect of Notes issued or modified after the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register, or the Notes are treated as equity for U.S. federal income tax purposes, whenever issued. This withholding is not expected to apply prior to 1 January 2019.

Reporting Australian Financial Institutions (“**RAFI**”) under the Australia–U.S. FATCA Intergovernmental Agreement dated 28 April 2014 must comply with specific due diligence procedures to identify their account holders and provide the ATO with information on financial accounts held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the U.S. Internal Revenue Service. Consequently, Holders may be requested to provide certain information and certifications to the Issuer and to any other financial institutions through which payments on the Notes are made. A RAFI that complies with its obligations under the Australia-U.S. FATCA Intergovernmental Agreement (“**IGA**”) will not be subject to FATCA withholding on amounts it receives, and will not be required to deduct FATCA withholding from payments it makes, other than in certain prescribed circumstances.

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Holders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

Additional Information

Effect on the Issuer of the offer of the Notes:

The Notes are being issued as part of the Suncorp Group's ongoing funding and capital management strategy, the proceeds of which the Issuer expects to use to fund Tier 2 Capital of one or more Regulated Entities within the Suncorp Group and for general funding purposes.

The proceeds, less the costs of the issue, will be classified as debt in the financial reports of the Issuer. The issue of the Notes will not have a material impact on the Issuer's financial position, affairs or creditworthiness.

Rights and liabilities attaching to the Notes:

See the section entitled "Terms of the Notes".

Effect on the Issuer of the issue of the Ordinary Shares if the Notes are Converted:

The issuance of Ordinary Shares on Conversion of the Notes will result in an increase in the Issuer's shareholders' equity. The number of Ordinary Shares issued on Conversion is limited to the Maximum Conversion Number.

Rights and liabilities attaching to the Ordinary Shares:

Holders will receive Ordinary Shares if Notes are Converted. The rights and liabilities attaching to the Ordinary Shares are set out in the Constitution of the Issuer and are also regulated by the Corporations Act, ASX Listing Rules and the general law.

This section briefly summarises the key rights attaching to the Ordinary Shares. It is not intended to be an exhaustive summary of the rights and obligations of holders of Ordinary Shares. Investors who wish to inspect the Issuer's Constitution may do so at the registered office of the Issuer during normal office hours or may obtain a copy in accordance with the instructions set out below.

Dividends

Holders of Ordinary Shares have the right to receive dividends declared from time to time, as determined by the Directors of the Issuer, in their judgment, as the Issuer's financial position justifies, in proportion to the capital paid up on the Ordinary Shares held by each shareholder (subject to the rights of holders of securities carrying preferred rights and in accordance with the Constitution and the Corporations Act). The Issuer may also be restricted from paying dividends on Ordinary Shares by Prudential Standards of APRA or, potentially, in particular circumstances by the terms of certain of its regulatory capital instruments.

Meetings and voting rights

Holders of Ordinary Shares are entitled to receive notice of, attend and vote at general meetings of the Issuer (either in person or by proxy, attorney or representative) on the basis of one vote on a show of hands or one vote per fully paid Ordinary Share (or a fraction of a vote in proportion to the capital paid up on that Ordinary Share) on a poll.

Winding-up of the Issuer

Holders of Ordinary Shares have the right to participate in a surplus of assets on a winding-up of the Issuer in proportion to the capital paid up on the Ordinary Shares at the commencement of the winding-up (subject to the rights of holders of securities carrying preferred rights on winding-up including CPS3, Capital Notes and Capital Notes 2).

Transfers

Except in the case of a proper ASTC transfer (as defined in the *Corporations Regulations 2001* (Cth)), the transferor remains the holder of Ordinary Shares until the transferee is registered as such.

The Issuer must comply with the obligations imposed on it by the ASX Listing Rules and the ASX Operating Rules and any applicable legislation in connection with any transfer of Ordinary Shares, including in respect of any decision to decline to register a transfer of, or request a holding lock be applied to, Ordinary Shares.

Issue of further Ordinary Shares

The directors control the issue of Ordinary Shares. Subject to the Corporations Act, the ASX Listing Rules and the Issuer's Constitution, the Directors of the Issuer may allot and issue (amongst other securities) further Ordinary Shares, units of Ordinary Shares, rights to Ordinary Shares, an option to subscribe for unissued Ordinary Shares and other securities convertible into Ordinary Shares, on terms and with such rights as they determine.

Receive information

Holders of Ordinary Shares have the right to receive information required to be distributed under the Corporations Act and the ASX Listing Rules.

Other information:

The Issuer is admitted to the official list of ASX and is a disclosing entity for the purposes of the Corporations Act. As a disclosing entity, it is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Broadly, these obligations require the Issuer to prepare both annually and half-yearly financial statements, to report on its operations during the relevant accounting period, to obtain an audit or review report from its auditor.

Copies of documents lodged with ASIC can be obtained from, or inspected at, an ASIC office and the Issuer's ASX announcements may be viewed on www.asx.com.au.

The Issuer must ensure that ASX is continuously notified of information about specific events and matters as they arise for the purposes of ASX making the information available to the Australian securities market.

The Issuer has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately when it becomes aware of any information concerning it which a reasonable person would expect to have a material effect on the price or value of its quoted securities, including the Ordinary Shares.

The Issuer will provide a copy of any of the following documents free of charge to any person upon their request:

- FY18 Issuer Annual Report;
- FY17 Issuer Annual Report;
- FY18 Issuer Investor Pack;
- FY18 Issuer Data Pack;
- Constitution;
- Deed Poll; and

- any continuous disclosure notices given by the Issuer in the period after the lodgement of its annual financial report for the year ended 30 June 2018 and before the date of this Information Memorandum.

The annual financial report for the year ended 30 June 2018 and copies of continuous disclosure notices lodged with ASX are available at www.asx.com.au or at www.suncorpgroup.com.au.

The Constitution is available at www.suncorpgroup.com.au.

All written requests for copies of the above documents should be addressed to Suncorp Investor Relations at the address set out in the Directory at the end of this Information Memorandum.

ASX confirmation

ASX has provided a waiver from ASX Listing Rule 7.1 in relation to the issue of Ordinary Shares on Conversion of the Notes on the basis that the only circumstance in which the Notes may Convert into Ordinary Shares under the Terms is on the occurrence of a Non-Viability Trigger Event, which is solely determined by APRA, and on condition that the Issuer releases to the market the material terms and conditions of the Notes when the issue is announced.

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