

*Audit Committee
Charter*



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Introduction

The Audit Committee, appointed by the Board of the Company specified in item 1 of the Schedule also operates as the Audit Committee, and performs the functions outlined in this charter, for each of the entities (if any) specified in item 2 of the Schedule, except where the entity specified in item 2 of the Schedule has appointed its own Audit Committee.

Definitions

The following terms have the following meanings:

“Company” means the company specified in item 1 of the Schedule.

“Group” means the company specified in item 1 of the Schedule and the entities (if any) specified in item 2 of the Schedule.

“Audit Committee” means the Audit Committee of the Group.

“Suncorp Group” shall mean the Suncorp Group Limited group of companies.

Role

The Audit Committee is appointed and authorised by the Board. The Audit Committee’s role is to assist the Board in fulfilling its statutory and fiduciary responsibilities with respect to oversight of the financial and operational control environment of the Group and reporting thereof including its effectiveness. The Audit Committee’s role encompasses:

- overseeing the integrity of the financial statements and financial reporting systems
- overseeing the Group’s financial reporting, including oversight of the Australian Prudential Regulation Authority (APRA) and Australian Securities and Investments Commission statutory reporting and disclosure requirements
- overseeing Australian Accounting Standards requirements
- overseeing the Group’s taxation compliance and reporting, including oversight of Australian Taxation Office, State Revenue Offices and Inland Revenue Department (New Zealand) reporting and disclosure
- oversight of the effective tax rates borne across the Group’s activities including alignment to business results
- reviewing the appointment, compensation, performance, effectiveness and independence of the External Auditor
- overseeing the performance and effectiveness of the Suncorp Group Internal Audit
- being available to meet with APRA on request.

Composition

The Audit Committee will be appointed by the Board and shall comprise not less than three directors. All members of the Audit Committee must be non-executive directors, and a majority of members must be independent.

Chairman

The Board shall appoint one of the Audit Committee members, other than the Chairman of the Board or the Risk Committee, to serve as the Audit Committee Chairman. The Chairman must be an independent director. The Committee Chairman and Committee membership will be confirmed annually.

Meetings

Meetings shall be held at a frequency determined by the Audit Committee but not less than four times per year. Special meetings may be convened by the Committee Chairman as required.

The Managing Director & CEO, the Chief Financial Officer, the Chief Risk Officer, the Chief Legal Officer, the Executive General Manager Internal Audit, the Executive General Manager Group Financial Control, the External Auditor, and the Appointed Actuaries or any other person shall be invited to participate at meetings, as appropriate.

The Audit Committee has unrestricted access to executives or any other officer or employee of the Group, as well as the External Auditor and the Appointed Actuary, in order to fulfill its role and undertake its duties.

A quorum of any meeting will be two members or such other number determined by the Board. The agenda and supporting documentation will be circulated to the Committee members a reasonable period in advance of each meeting.

The secretary of the Audit Committee will be the Company Secretary, or such other person as nominated by the Board. The secretary of the Audit Committee will circulate minutes to members of the Audit Committee and the Board as soon as practicable after each meeting.

The Audit Committee will provide the Executive General Manager Internal Audit, the External Auditor and other relevant executives with clear right of access to the Audit Committee Chairman. On all matters within the responsibility of the Audit Committee under this Charter, a relevant executive has unfettered access to the Audit Committee through its Chairman. The Board expects that, in the normal course, the matter has been raised previously with the relevant senior manager(s) within the Group prior to such an approach.

Reporting

The Audit Committee shall regularly update the Board about Audit Committee activities and make appropriate recommendations.

The Audit Committee shall regularly review this Charter and its continuing adequacy together with an evaluation of the Audit Committee's performance and the extent to which the Audit Committee has met the requirements of the Charter.

Specifically, reporting by the Audit Committee will include:

- recommending any changes in the Charter to the Board
- self-assessing the effectiveness of the Audit Committee on a regular basis
- regularly reporting to the Board on the activities of the Audit Committee, at a minimum, for both the half year and full year, and
- referring to the Risk Committee any matters that have come to the attention of the Audit Committee that require oversight by the Risk Committee.

Duties and Responsibilities

With respect to the control of reporting of financial information to users of financial reports and the application of accounting policies the Audit Committee shall:

- review and discuss with the External Auditor any management financial reports (including reviewed half year and audited annual accounts), earnings press releases and other financial information for public release, and recommend to the Board for release
- on a timely basis receive from management and the External Auditor analysis of significant financial reporting matters and review such analysis
- approve and review critical accounting policies with the External Auditor and management, review and discuss with management and the External Auditor any significant matters arising from the audit, management judgments and accounting estimates, and any significant changes to Suncorp Group's auditing and accounting principles, policies, controls, procedures and practices
- review and recommend to the Board the certification provided by the Managing Director & CEO, Chief Financial Officer and the Chief Risk Officer on annual and half yearly financial reports and review the processes that were used to reach the opinion provided in the certification
- review and recommend to the Board disclosure covering governance, risk management including tax risk management issues in accordance with the requirements of regulators
- review and recommend to the Board the Financial Condition Reports
- review and recommend to the Board the form of opinion that the External Auditor proposes to render
- receive assurance and reports from the External Auditor as to the quality of internal controls as they relate to financial reporting
- review and recommend to the Board any reports prepared in relation to issue of shares, debt securities, or other instruments requiring the issue of a prospectus, where the prospectus is issued by the Suncorp Group, and
- consider any reports prepared by the External Auditor in relation to the above due diligence procedures and make appropriate recommendations to the Board as necessary.

With respect to the control of risk management systems, business policies and practices and protection of Suncorp Group assets the Audit Committee shall:

- review the assessment of the adequacy of internal controls and processes for managing key risk areas and where considered necessary, commission and direct specific actions and assign responsibility to ensure internal financial controls are adequate
- establish and maintain policies that enable employees to confidentially submit information about accounting, tax, internal control, compliance, audit and other matters about which the employee has concerns
- receive any reports made by Internal Audit, and
- commission specific investigations relating to financial matters, records, accounts and reports as appropriate.

With respect to oversight of External Audit the Audit Committee shall:

- review the independence, qualifications, performance and effectiveness of the External Auditor at least annually and provide prior endorsement and make recommendations to the Board on the appointment and/or removal of the External Auditor as necessary
- review and note the annual External Audit plan and approve the fees charged for audit and review services
- annually review and recommend to the Board the terms of audit engagement

- pre-approve categories of non-audit services that may be provided by the External Auditor
- annually review and approve the policy for approval of non-audit services that are to be undertaken by the External Auditor
- ensure disclosure to shareholders of the Audit Committee's approval of all non-audit services provided by the External Auditor
- review and consider audit reports issued by the External Auditor on the Suncorp Group financial reports, APRA Prudential Supervision engagements and other activities
- consider and review reports prepared by the External Auditor on critical accounting policies, alternative treatments of financial information permitted under relevant Accounting Standards and other written communication between the External Auditor and management
- consider and oversee resolution of any disagreements between the External Auditor and management regarding the Suncorp Group's financial reporting; the External Auditor shall report directly to the Audit Committee,
- periodically meet with the External Auditor without management being present,
- discuss and evaluate with the External Auditor any relationship that may impact their objectivity and independence, and
- review annually the External Auditor's statement regarding their independence including details of all relationships with the Group and make appropriate recommendations to the Board if there is any threat to the External Auditor's independence set out in APES 110 Code of Ethics for Professional Accountants, as well as other additional independence requirements set out by APRA.

With respect to oversight of the Internal Audit function the Audit Committee shall:

- review and approve the Internal Audit Charter, annual audit plan, budget and staffing
- review and note the regular Internal Audit reports including management responses, timing and implementation of action plans. Where considered necessary, commission and direct specific actions and assignment of responsibility to resolve any issues noted in the reports.
- review the independence, activities, resources and organisational structure of Internal Audit
- provide prior endorsement, and make recommendations to the Board, on the appointment and/or removal of the Executive General Manager Internal Audit. Whilst the Executive General Manager Internal Audit has a direct functional reporting line to the Chairman of the Committee, the Executive General Manager Internal Audit also reports to the Chief Risk Officer on administrative matters. The Audit Committee will periodically meet with Internal Audit without management present, and ensure that Internal Audit has unfettered access to the Committee.

Function of Representative Parties

It is recognised that members of the Audit Committee are non-executive employees of the Suncorp Group and generally do not represent themselves to be experts in the fields of accounting or auditing.

Each member of the Audit Committee is entitled to rely on Executives of the Group, on matters within their responsibility, and on external professionals on matters within their areas of expertise, and may rely on the accuracy of information provided by such persons where the Audit Committee has reasonably assured themselves of the quality/capability of such experts.

Schedule: Audit Committee Charter

Item 1: Name of Company

Suncorp Group Limited

Item 2: Name of Entities

SBGH Limited, Suncorp Insurance Holdings Limited, Suncorp Life Holdings Limited and all other controlled entities within the Suncorp Group except the superannuation entities regulated by APRA.

