

Board of Directors Charter



ISSUE DATE: 1 JULY 2016

Introduction

This is the charter of the Board of Directors of the company specified in item 1 of the Schedule and 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 adopted its own charter.

Definitions

The following terms have the following meanings:

“**Board Renewal Policy**” means the policy set out in Part B of the Suncorp Group Board Charter

“**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.

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

Role

The Board is ultimately responsible for the sound and prudent management of the Company and the Group. As such, the role of the Board of the Company is to provide effective governance over Suncorp Group’s affairs to ensure the confidence of the investment market is maintained and the interests of all stakeholder groups are protected including shareholders, customers, employees, suppliers and the local communities in which the Group operates.

Composition

The Board shall comprise no more than thirteen directors and no less than five or such other numbers as the constitution of the Company allows, of whom a majority must be independent, non-executive directors as defined in accordance with the Board policy on director independence.

Chairman

The Chairman of the Board

- shall be elected by directors
- shall be a non-executive director; and
- shall be independent.

The role of the Chairman is to lead and facilitate effective discussions at Board meetings and overseeing the process to evaluate the performance of the Board, its Committees and individual directors.

Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, for all governance matters that relate to the Board’s proper functioning. All directors have direct access to the Company Secretary.

Meetings

The Board shall meet as often as deemed necessary by the directors in order to fulfil their duties and responsibilities as directors and as dictated by the needs of the business. It is expected that under normal circumstances the Board will meet at least once each month.

A meeting of the Board can be convened by the Chairman, the Chief Executive Officer and Managing Director (CEO & MD) or a majority of the directors.

The non-executive directors of the Board will meet together without the presence of executive directors at least four times per year to discuss matters pertaining to the Company's executive management.

A quorum shall consist of a majority of directors unless the Board comprises an even number of directors then the quorum shall be half that number or such other numbers as allowed by the Company's constitution.

Conflict of Interest

To ensure the appropriate management of any actual, potential or perceived conflict of interest, the Board has adopted the following procedures:

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

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

Confidentiality

All proceedings of the Board, including papers submitted and presentations made to the Board, shall be kept confidential and will not be disclosed or released to any person other than Board members, except as required by law or as agreed by the Board.

Access

The Board shall have full and free access to executives and other employees of the Group.

The Company or the Suncorp Group has entered into an agreement with each director which gives them the right to access after their retirement from the Board, any Board papers made available to the director during their tenure as a director of the Company.

Professional Advice

The Board collectively and each director individually may take, at the Company's expense, such independent professional advice as is considered necessary to fulfil their relevant duties and responsibilities.

Individual Board members seeking such advice must obtain the approval of the Chairman (which may not be unreasonably withheld) and the advice will be made available to all Board members as appropriate.

Code of Conduct

Each member of the Board shall abide by the terms of the Suncorp Group Code of Conduct in all dealings with and on behalf of the Group.

Duties and Responsibilities

Corporate Governance

- Conduct the meetings of directors and the Board committees and the affairs of the Group having full regard for corporate governance practices including the other matters specified in item 3 of the Schedule.
- Approve and oversee the process developed by executive management to implement and maintain a system of good corporate governance including the adoption of a Group Code of Conduct applicable to all employees of the Group, including directors, temporary workers and other independent contractors and consultants when engaged by or otherwise representing the Group and its interests.
- Monitor management's implementation of, and compliance with, corporate governance practices including the environmental impact and compliance with sustainability policies and practices.

Board of Directors

- Propose, for approval by the shareholders, appropriate persons for election to the Board including directors retiring by rotation, noting that in the event there are two or more directors that have been in office for an equal amount of time, and an agreement cannot be reached between those directors on who will retire, the director or directors who will retire will be determined in any manner determined by the chairman and if the chairman is not able and/or willing to act, the deputy chairman (if any) or otherwise by the chairman of the Audit Committee.
- Fill casual vacancies in Board positions.
- Manage the succession of Board members in accordance with the Board Renewal Policy.
- Monitor the performance of the Board and Board committees collectively and directors individually.

Chief Executive Officer and Managing Director and Executives

- Appoint and remove the CEO & MD and approve the appointment and removal of senior executives reporting directly to the CEO & MD (Group Executives), in doing so the Board will ensure collectively they have the full range of skills needed for the effective and prudent management of the Group.
- Approve the remuneration arrangements of the CEO & MD and Group Executives, including measures of performance and performance targets, and manage succession plans for the CEO & MD.
- Assess the performance of the CEO & MD and approve the CEO & MD's assessment of the performance of each Group Executive.
- Monitor executive succession plans.

Corporate Strategy and Performance

- Approve the strategic direction and related objectives for the Group.
- Consider and approve the Group's annual budget including revenue, profit, capital expenditure and cash flows, as proposed by management, ensuring appropriate resources are available to achieve the business objectives.
- Monitor executive management's performance in the implementation and achievement of the Group's business objectives and strategies.

Acquisitions and Divestitures

- Review and as appropriate approve management proposals regarding acquisitions or divestitures of companies, businesses and functions, when such acquisition or divestiture would have a material effect on the assets, profit or operations of the Group.

Capital Management

- Review and approve Group capital management policies and plans having regard for the various liquidity and capital adequacy regulatory requirements applying to the Group.

Culture

Monitor and influence Suncorp's Values to maintain a culture that supports the Group's ability to operate consistently within its risk appetite and deliver fair and balanced outcomes for its stakeholders.

Risk Management and Internal Control

- Approve and oversee the process developed by management to ensure business risks are identified.
- Approve systems of risk management, risk appetite, regulatory compliance and control and associated Group policies to manage those risks.
- Review and approve systems of occupational health and safety.
- Monitor management's implementation of, and compliance with, these systems and controls.

Financial Reporting

- Approve (subject to shareholder endorsement) the appointment of the external auditor.
- Review and approve the Group's half-yearly and annual financial statements and other prepared or published financial information.
- Determine, declare and approve dividends to be paid to shareholders.

Approval Authorities

- Determine and approve the level of authority to be delegated to the CEO & MD in respect of operating expenditures, capital expenditures, credit facilities, and risk-taking and approve the further delegation of those authorities to management by the CEO & MD.
- Approve operating and capital expenditure, credit facilities and risk-taking authorities in excess of the limits delegated to management.

Board Committees

- The various powers, duties and responsibilities of the Board set out herein may be delegated to one or more committees of the Board.
- All Board committees will have a Charter approved by the Board setting out the composition, duties and responsibilities of that committee.
- Minutes of the proceedings of all meetings of Board committees shall be maintained and copies of those minutes will be made available to all directors.

Schedule: Board Charter

PART A: Role of Board

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 APRA regulated companies in the Suncorp Group except superannuation entities regulated by APRA

PART B: Board Renewal Policy

The Board is committed to ensuring that it has a collective mix of skills, experience, expertise and diversity.

In consideration of an appointment or composition of the Board, the Nomination Committee will look for those who are best able to discharge the responsibilities and make effective contribution to the Board deliberations and take into account:

- the size, composition and diversity (including gender diversity) of the existing Board;
- the Suncorp Group Board skills matrix, which sets out the mix of qualities, expertise and skills held by existing directors;
- how the candidate's attributes will balance and complement those qualities and expertise needed on the Board in future;
- the need to maintain the highest standard of corporate governance, and in this context also consider the factors that may impact a directors independence;
- the culture fit with existing Board members and understanding of the Suncorp Group culture; and
- an understanding of the business of Suncorp Group, the environment in which it operates and the challenges and opportunities going forward.

The Nomination Committee may engage recruitment consultants to undertake research on, or assess, candidates for new positions on the Board, or to consult other independent experts where it feels necessary to carry out its duties and responsibilities to the Board.

Item 3: Other Matters

The table below sets out the key matters to be considered by each Board where it is relevant and to the extent commercially and legally required.

Key matters for the Boards to consider	Group NOHC (Suncorp Group Ltd)	General Insurance NOHC (Suncorp Insurance Holdings Ltd) and APRA authorised General Insurance entities	Bank NOHC (SBGH Ltd) and Suncorp-Metway Limited	Life NOHC (Suncorp Life Holdings Ltd) and APRA regulated Life Insurers
ASX Corporate Governance Principles and Recommendations	✓	✓	✓	✓
The best interests of the Suncorp Group as a whole	✓	✓	✓	✓
APRA Prudential Standards applicable to General Insurers	✓	✓		
APRA Authorisation Conditions General Insurance entities	✓	✓		
APRA Prudential Standards made under the Banking Act 1959	✓		✓	
APRA Authorisation Conditions Suncorp Bank	✓		✓	
Banking Act Consideration of the Interest of Depositors	✓		✓	
APRA Prudential Standards applicable to Life Insurers	✓			✓
APRA Authorisation Conditions Authorised Life Insurance entities	✓			✓

Key matters for the Boards to consider	Group NOHC (Suncorp Group Ltd)	General Insurance NOHC (Suncorp Insurance Holdings Ltd) and APRA authorised General Insurance entities	Bank NOHC (SBGH Ltd) and Suncorp-Metway Limited	Life NOHC (Suncorp Life Holdings Ltd) and APRA regulated Life Insurers
Interests of Policy holders in accordance with s. 48 of the Life Insurance Act 1995	✓			✓
The policies and procedures of the Suncorp Group	✓	✓	✓	✓

In the event that there are conflicting or inconsistent matters that need to be considered, each Board must, where relevant, and to the extent legally required, consider the relevant APRA Prudential Standards, APRA Authorisation Conditions and the interest of policy holders or depositors (where applicable) in priority to other considerations.

