



# Corporate Governance Statement 2018-19

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Create a better today for our customers



Suncorp Group Limited  
ABN 66 145 290 124

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Front cover: Suncorp employees in Brisbane  
Nicola Ricco and Raymond Haoda



This 2018–19 Corporate Governance Statement (Statement) forms part of Suncorp’s 2018–19 Annual Report suite. The 2018–19 Annual Report is a summary of Suncorp’s business operations, business activities and financial position as at 30 June 2019. The 2018–19 Responsible Business Report is a summary of Suncorp’s approach to responsible business practices, activities and performance as at 30 June 2019. These reports and additional information are available on the Company’s website at

[suncorpgroup.com.au](http://suncorpgroup.com.au).

In this Statement where additional information is available online it is indicated like this:



Annual Report  
2018–19

Create a better today for our customers



Suncorp Group Limited  
ABN 44-161 290 121



Responsible Business Report  
2018–19

Create a better today for our customers



Suncorp Group Limited  
ABN 44-161 290 121

## Introduction

The Suncorp Board (Board) presents its 2018–19 Corporate Governance Statement outlining Suncorp’s approach to corporate governance and its principal governance practices. These practices are reviewed regularly and revised as appropriate to reflect changes in law, and developments in corporate governance and community expectations.

The Board’s view is an organisation’s culture must be led ‘from the top’ by directors and management, with the Board overseeing and having ultimate responsibility for the overall governance framework.

The Board:

- believes high standards of corporate governance are essential for achieving Suncorp’s business objectives, sustaining long-term share price performance and creating value and sustainable outcomes for Suncorp shareholders, customers and the communities in which the Company engages
- is committed to maintaining a governance framework and culture that are underpinned by integrity and ethical behaviour, and
- keeps Suncorp’s governance model under continual review. Such supervision is even more imperative following the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Royal Commission), the New Zealand Financial Market Authority and Reserve Bank of New Zealand’s joint review of life insurer conduct and culture and other regulatory reforms.

## 2018–19 Key governance developments

### Board renewal

In late 2018 Suncorp welcomed existing director Ms Christine McLoughlin as its new Chairman, who succeeded Dr Ziggy Switkowski AO at the conclusion of the 2018 Annual General Meeting.

Ms McLoughlin has been on the Board since February 2015 and is a highly experienced non-executive director of ASX Top 50 companies in the sectors of financial services, resources, health insurance and infrastructure.


To complement its existing skills set, two new non-executive directors joined the Board in late 2018: Ms Sylvia Falzon on 1 September and Mr Ian Hammond on 2 October. Both directors bring extensive skills, knowledge and experience from within and outside the financial services sector.

At the executive level, Mr Michael Cameron stepped down as CEO & Managing Director in late May 2019. The Board appointed Mr Steve Johnston (whose substantive role is Chief Financial Officer) Acting CEO until a permanent appointment is made.

### Increased focus on customers

In February 2019 Suncorp welcomed the findings of the [Royal Commission's final report](#) which demand stronger governance, greater transparency and, importantly, better prioritisation of customer outcomes.

Several initiatives to strengthen the areas that are working well and address those that can improve are now underway within Suncorp, giving the Group an opportunity to identify how it can improve customer outcomes and experiences further.

 The [2018-19 Annual Report](#) and [Responsible Business Report](#) have more information on these initiatives.

#### New Board Customer Committee established

In support of this increased focus on customers, in September 2018 the Board established a new Board Customer Committee as a forum to monitor Suncorp's approach to its customer aspiration, including providing guidance for Suncorp's approach to customer strategy and outcomes. This Committee plays an active role in promulgating Suncorp's customer-focused program of work.

#### Focusing on accountability: embedding the Banking Executive Accountability Regime

2018-19 saw continued change within both the regulatory landscape and community expectations.

The Banking Executive Accountability Regime (BEAR) administered by the Australian Prudential Regulation Authority (APRA) introduced new standards of accountability and diligence for banks' senior executives and drives greater clarity of accountability. Suncorp-Metway Limited implemented BEAR on 1 July 2019 including introducing accountability maps and supporting statements.

All Accountable Persons also have a BEAR-compliant remuneration framework, with the Senior Leadership Team's remuneration structure compliant since 1 July 2018.

#### APRA risk governance self-assessment

On 30 November 2018 Suncorp submitted a risk governance written assessment for our Australian business to APRA. This exercise tested the effectiveness of Suncorp's governance, culture and accountability, including how the expectations of the Board are being embedded across the Company.

#### Responsible remuneration changes


The remuneration framework has been reviewed over the year to ensure it appropriately supports



Suncorp's refined purpose to *create a better today for our customers*, remains contemporary and keeps pace with the evolving regulatory environment.

As a result, the Board has made a number of changes to Suncorp's remuneration framework for 2019-20. The remuneration objective and principles have been refreshed with a key focus on providing exceptional outcomes for our customers and shareholders and encouraging our employees to always do the right thing. The remuneration changes followed consultation with relevant stakeholders.

The Board will continue to monitor the remuneration framework's efficacy, as well as both external and internal requirements, to ensure it supports the achievement of Suncorp's strategic objectives.

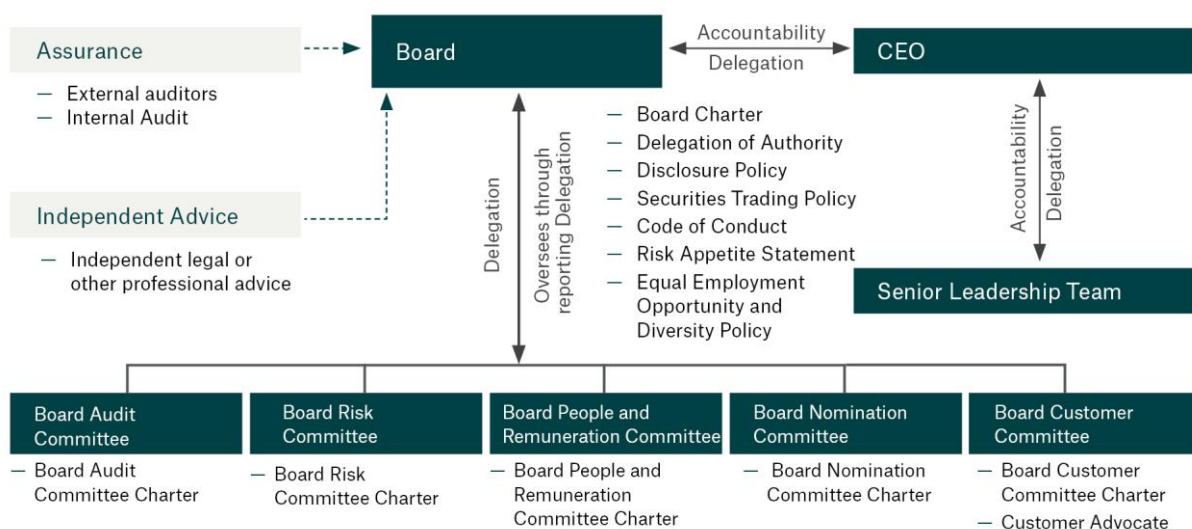
 The Remuneration Report in the [2018-19 Annual Report](#) has more details.

## 1. Suncorp's Corporate Governance Framework

Suncorp's corporate governance model (illustrated below) describes the Board's current corporate governance framework and Board Committee structure which operates under a set of Board-approved policies, charters and related procedures. The corporate governance framework:

- represents Suncorp's way of working to manage the business and achieve its strategic objectives
- defines the boundaries within which Suncorp directors, employees, contractors, auditors and advisers are expected to work and
- fosters an environment that supports compliance, clarity and transparency of accountability.

Five Board Committees support the Board in its governance role and assist with a regular review of the governance framework and associated practices to ensure they keep abreast of regulatory change, market practice and evolving community expectations.



### 1.1 Suncorp Board of Directors

The Board provides strategic direction to Suncorp's business and represents the interests of Suncorp customers, shareholders, employees, suppliers and its local communities.

#### Letters of appointment

Suncorp has formal letters of appointment in place with each non-executive director setting out their appointment terms, while the CEO has an employment contract.

 Full biographical details for directors are on the [website](#) and in section 1 of the Directors' Report of the [2018-19 Annual Report](#).

**Suncorp's Board has 50% female representation among its non-executive directors**



## Board composition



Suncorp Board members left to right: Christine McLoughlin (Chairman), Lindsay Tanner, Sylvia Falzon, Sally Herman, Ian Hammond, Dr Douglas McTaggart, Simon Machell, Audette Exel AO

### Suncorp Group Limited Board of Directors

Name of Director	Term In Office	Qualifications	Current Board Committees	Status
Christine McLoughlin	4 years, 6 months	BA, LLB (Hons), FAICD	Board Chairman   Chairman Nomination and Customer Committees   Ex-officio member of Audit, People and Remuneration, and Risk Committees	Independent non-executive Chairman
Audette Exel AO	7 years, 1 month	BA, LLB (Hons)	Member Customer, Nomination and Risk Committees	Independent non-executive director
Sylvia Falzon	11 months	MIR (Hons), BBus, FAICD, SFFin	Member Customer, Nomination and People and Remuneration Committees	Independent non-executive director
Ian Hammond	10 months	BA (Hons), FCA, FCPA, FAICD	Member Audit, Customer and Nomination Committees	Independent non-executive director
Sally Herman	3 years, 9 months	BA, GAICD	Chairman Risk Committee   Member Audit, Customer, Nomination and People and Remuneration Committees	Independent non-executive director
Simon Machell	2 years, 3 months	BA (Hons), FCA	Chairman People and Remuneration Committee   Member Audit, Customer and Nomination Committees	Independent non-executive director
Dr Douglas McTaggart	7 years, 3 months	BEcon (Hons), MA, PhD, DUniv, FAICD, SFFin	Chairman Audit Committee   Member Customer, Nomination and People and Remuneration Committees   Director on boards of New Zealand licensed entities	Independent non-executive director
Lindsay Tanner	1 year, 7 months	BA (Hons), LLB (Hons), MA (Melb)	Member Customer, Nomination and Risk Committees   Chairman Suncorp Insurance Ventures Pty Ltd	Independent non-executive director

## 1.2 The Board's role, function, responsibilities and those delegated to management

[Suncorp's Constitution](#) states that its business and affairs are to be managed under the Board's direction. The Board is ultimately responsible for the sound and prudent management of the Suncorp Group.


The formal [Board Charter](#):

- states that the Board's role is one of stewardship on behalf of stakeholders, ensuring the Suncorp Group remains sustainable and effective in the present and for the future
- clearly sets out the Board's role, responsibilities, powers and duties and describes those matters expressly reserved for the Board's determination and those matters delegated to management
- lists the key matters to be considered by each of the regulated operating entities in the Group.

In performing its role, the Board is committed to high standards of corporate governance practice and fostering a culture of compliance which values ethical behaviour, personal and corporate integrity, accountability, transparency and respect for others.


Other than the responsibilities specifically reserved for the Board and its Committees in their respective Charters, responsibility for management of the day-to-day business activities is delegated to the CEO who is accountable to the Board.

The Board regularly reviews the Board Charter and the delegation of Board authority to the CEO.

 The [Constitution](#), [Board Charter](#) and Board Committee Charters are available on the [website](#).

### Board and management specific duties and accountabilities

An effective governance system allows a timely flow of information to management and the Board to help executives and directors fulfil their fiduciary duties and responsibilities. The table on the following page summarises those responsibilities reserved for the Board and the matters the Board has formally delegated to management.

 The CEO and the Senior Leadership Team (the Senior Executives who are the CEO's direct reports) (pictured below) support the Board to fulfil its duties. Biographical details of the Acting CEO and Senior Leadership Team are on the [website](#).



Suncorp Senior Leadership Team members left to right: Fiona Thompson, Gary Dransfield, Lisa Harrison, Steve Johnston, David Carter, Amanda Revis, Jeremy Robson, Sarah Harland, Paul Smeaton, Pip Marlow



## Board of Directors

### *Summary of principal responsibilities*

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#### **APPROVE:**

- strategic direction and related targets and objectives
- CEO and executive succession planning
- annual budgets, dividend policy and dividend payments
- in respect of operating and capital expenditure - major expenditure and credit facilities above the limits delegated to management
- the CEO's level of authority in respect of operating and capital expenditure and credit facilities and authorise the CEO's further delegation of those authorities to management
- the appointment and removal of the CEO, Senior Executives and the Company Secretary
- recommendations from the People and Remuneration Committee on the remuneration arrangements of the CEO, Senior Executives and the Executive General Manager Internal Audit, including performance measures and performance targets and, consistent with the BEAR reforms, ensure there is no conflicted remuneration
- annual and half-year reports and disclosures to the market that contain or relate to financial projections, statements as to future financial performance or changes to policy or strategy
- policies of Company-wide or general application
- the appointment of the Board Chairman and directors via the Nomination Committee who will come before shareholders for election at the next annual general meeting, and
- procedures which ensure the Board is in a position to exercise its powers and to discharge its responsibilities as set out in the Board Charter.

#### **REVIEW/APPROVE:**

- management proposals regarding acquisitions and divestments of companies, businesses and functions
- Suncorp Group capital management policies and plans, having regard to the various liquidity and capital adequacy regulatory requirements applying to Suncorp Group financial and regulatory reporting
- the Enterprise Risk Management Framework and risk management strategies.

#### **MONITOR:**

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

## Management

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

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The Board oversees management's execution of business objectives, strategies and financial performance, and formally delegates specific responsibilities to management.

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

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



### 1.3 Board composition – structured to be effective and add value

Suncorp is committed to ensuring the Board's composition continues to be effective and includes directors who bring an appropriate mix of skills, experience, expertise and diversity (including gender diversity) to the Board's decision-making.

The Company's Constitution and Board Charter require the Board's composition to have a minimum of five and a maximum of 13 directors, a majority of whom should be independent, non-executive directors. The composition of the Board is subject to review in several ways:

- the Constitution provides that an election of directors must take place each year
- in addition, no director (excluding any one person appointed as Managing Director), may retain office for more than three years or until the third annual general meeting (AGM) following the director's appointment, whichever is the longer; at the expiration of three years, a director seeking re-election must seek shareholder approval
- nomination for re-election as a director is not automatic; it is subject to the Nomination Committee's assessment, and in a statement accompanying the next AGM Notice of Meeting, the Board confirms to shareholders whether or not it supports a retiring director's re-election
- the Nomination Committee reviews the Board's composition periodically in line with the Board Renewal Policy set out in the [Board Charter](#), either when a vacancy arises, or as part of the Board's ongoing succession planning.

### 1.4 Directors' conflicts of interest and related procedures

Directors have a duty to perform their statutory obligations and to act in good faith in a way most likely to promote the success of Suncorp and, under Australian law, to avoid any position or interest that conflicts/appears to conflict with an interest of Suncorp's.

The [Corporations Act](#) contains requirements for dealing with directors' conflicts of interest.

The [Board Charter](#) and [Suncorp Code of Conduct](#) establish clear rules, controls and guidance regarding the management of actual, potential or perceived conflicts of interest.



Each director is expected to disclose any business or other relationship that he or she has directly, or as a partner, shareholder, director or officer of a company or other entity that has a substantial interest in Suncorp Group or a related entity.


The Board considers information about any such interests or relationships, including any related financial or other details, when assessing the director's independence.

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

- Each director has a continuing obligation to keep the Board advised of any interest that has arisen that could potentially conflict with those of the Suncorp Group.
- Where a director has an actual, potential or perceived conflict in a matter being considered by the Board, the director will:
  - declare that conflict of interest

- not receive the relevant Board papers
- not be present when the matter is considered at the meeting, 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 Chairman or the Board Audit Committee Chairman) determines otherwise. However, in the case of a material personal interest, the level of involvement of the relevant director will be determined by the Board (excluding the relevant director).

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

## 1.5 Independence of Board and Board Chairman

All Suncorp non-executive directors are expected to bring independent judgment to the Board's deliberations. The Board regularly assesses the independence of its directors: on appointment, as a continuing obligation, and annually when reviewing each non-executive director's completed independence assessment (in accordance with the [ASX CGC Corporate Governance Principles and Recommendations](#)) (3rd edition) which directors provide as an annual attestation of their interests and independence.

### How independence is assessed

A director's interests, position, associations or relationships will be considered relevant when assessing independence if the individual circumstances materially interfere with (or could reasonably be perceived to materially interfere with) the director's ability to exercise independent judgment across certain or all aspects of their director role. The Board takes a qualitative approach to assessing materiality and independence on a case-by-case basis by reference to each director's circumstances, rather than applying strict quantitative or general materiality thresholds.

Determinations regarding independence do not change any director's obligation to manage a conflict of interest that may arise between carrying out their duties as a director and their other interests and duties (refer also to section 1.4).

The Board also considers the length of tenure of a non-executive director in assessing their independence, but it is not determinative.

Based on its assessment, the Board considers that throughout the 2018–19 financial year, the Board Chairman and all Suncorp non-executive directors have remained independent and have satisfied the Board's independence criteria (which align with the guidance provided by the ASX and other regulators) to remain sufficiently independent of mind on matters before the Board and able to act in the best interests of Suncorp and its stakeholders.

### Suncorp Board Chairman

The Board Chairman is elected by the independent non-executive directors in accordance with the Board Charter.

Suncorp Chairman Ms Christine McLoughlin has been an independent non-executive director since February 2015 and is Chairman of the Board's Nomination Committee, inaugural Chairman of the Customer Committee and an ex-officio member of all other Board Committees.

Ms McLoughlin's interests include being a non-executive director of nib holdings limited which has arrangements with Suncorp that relate to the distribution of nib health insurance products under Suncorp brands. The Board considers these arrangements not material and has therefore determined that the Chairman remains independent.

### Other directors

Ms Sylvia Falzon and Mr Ian Hammond are both non-executive directors of Perpetual Limited (Perpetual) which has business arrangements with Suncorp:

- Perpetual (as equity fund manager) may hold Suncorp Group Limited securities from time to time; Perpetual's latest required substantial shareholding notice to the ASX (dated 12 October 2018) disclosed that it held 5.04 per cent of Suncorp's issued capital.



All Suncorp non-executive directors bring independent judgment to Board decisions



- Ms Falzon and Mr Hammond have both confirmed that as directors of Perpetual they have no involvement in, or influence over, any investment decisions made by Perpetual in relation to trading in any security.
- Suncorp pays fees to Perpetual group companies for trustee services<sup>1</sup> the arrangements for which were in place prior to either of Ms Falzon's or Mr Hammond's appointments as Suncorp directors.

The Board believes this relationship does not affect Ms Falzon's or Mr Hammond's independence. The basis of this opinion is that the selection and management of a trustee services provider is the responsibility of management, and such decisions are made in the ordinary course of business. Accordingly, the Board has determined that the arrangements with Perpetual are not deemed material and that Ms Falzon and Mr Hammond remain independent.

Separate to these arrangements, like Suncorp, Perpetual operates a wealth management business. Suncorp's wealth management business is overseen by an independent board of which neither Ms Falzon nor Mr Hammond are directors.

In addition, Mr Ian Hammond receives a fixed post-termination benefit from his former employer, PricewaterhouseCoopers (PwC). From time to time, Suncorp Group engages PwC to provide consulting services, which are not considered material in nature or quantum. Accordingly, the Board does not believe that the work performed by PwC affects the independence of Mr Hammond.

## 1.6 Board Skills Matrix 2019

With respect to its composition, the Board has:

- committed to ensuring its directors collectively have a sufficient mix of skills, expertise and diversity required for the effective management of the business
- the objective of maintaining a balance between longer-serving directors with established experience and knowledge of Suncorp Group's

business and history, and new directors who bring fresh perspectives

- identified the requisite key skills, experience and qualities needed, both now and into the future.

Together the Board members have a broad range of financial services sector and other relevant industry skills and knowledge, combined with the extensive experience necessary to guide an organisation of Suncorp's nature and size.

Certain Board members are also directors of other ASX-listed and non-listed companies and bring a diverse range of experience and skills across several business areas.



The Board has an appropriate mix of skills and experience to discharge its responsibilities

These skills, attributes and experience have been compiled into a Board Skills Matrix that was updated during 2019 to ensure it remains aligned with both the organisation's needs and the shift in community and regulatory expectations towards the way boards conduct their role.

The Board Skills Matrix is also used to provide targeted learning and development initiatives for directors, and when selecting and recruiting new directors to join the Board.

The table on the following page and the graphic below it demonstrate the technical skills and expertise required on the Board and the number of current directors with a 'developed' level of capability (i.e. scoring an average of at least 3 out of 5 for each skill/area of experience), meaning that the director has a level of proficiency in that area that can be contributed to the Board by drawing on the director's previous experience.



Suncorp directors' biographies, skills and other directorships are detailed in the Directors' Report in the [2018-19 Annual Report](#).

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

## Technical Skills



### RISK MANAGEMENT

Risk management frameworks, setting risk appetite, building and adapting organisational risk culture, regulatory relationships, assessing the effectiveness of senior leadership.



### ORGANISATIONAL CULTURE

Developing and sustaining the right corporate culture. Protecting and enhancing our reputation. Building trust and confidence in an organisation. Promotion of an ethical 'tone from the top'.



### HEALTH & SAFETY

Driving health, safety and wellbeing strategies, proactive identification and prevention of health and safety risks. Aware of best practice/benchmarks.



### GOVERNANCE & COMPLIANCE

Implementing organisation-wide governance and compliance systems, processes and frameworks, regulatory compliance, assessing the relevance and accuracy of measurement systems.



### REMUNERATION

Detailed executive remuneration matters (including scorecard target setting), remuneration frameworks and incentive arrangements. Understanding of the relevant legislative/contractual framework for remuneration. Experience in disciplined and fair performance assessment and associated rewards.



### CORPORATE STRATEGY

Reviewing and setting organisational strategy and organic growth opportunities.



### FINANCIAL ACUMEN

Implementation of financial and capital management strategies, corporate finance restructuring, capital raisings within risk appetite, taxation and actuarial experience.



### LEADERSHIP

Driving engagement and enablement, evaluating employee and executive performance, strategic workforce planning (including change management), leading organisation change in a multi-channel business. Experience with performance assessment and feedback including driving a culture of accountability.



### GOVERNMENT RELATIONS

Interaction with government and regulators at all levels, influencing public policy decisions and outcomes. Extensive knowledge of the policy and regulatory environments.

## Experience



### GENERAL INSURANCE

Personal and commercial insurance experience, including the competitive pressures associated with non-traditional market entrants and other sources of disruption.



### EXPERIENCE ACROSS RELATED INDUSTRIES

Broad experience across industries related to the banking and general insurance sectors, for example retail stores, wealth, health insurance, funds management and/or industries across Suncorp's supply chain.



### TECHNOLOGY & DIGITAL INNOVATION

Experience in the use of digital channels and the latest innovative and digital technologies available. Leading change through the adaptation to digital change and technology innovation.



### BANKING

Domestic and/or international experience in Banking, including the regulatory landscape for Authorised Deposit-taking Institutions.



### CUSTOMER INFORMATION

Experience in driving strategic insights from the collection and analysis of customer data and industry statistics. Knowledge of data privacy, information security practices and an awareness of community expectations.

## Other

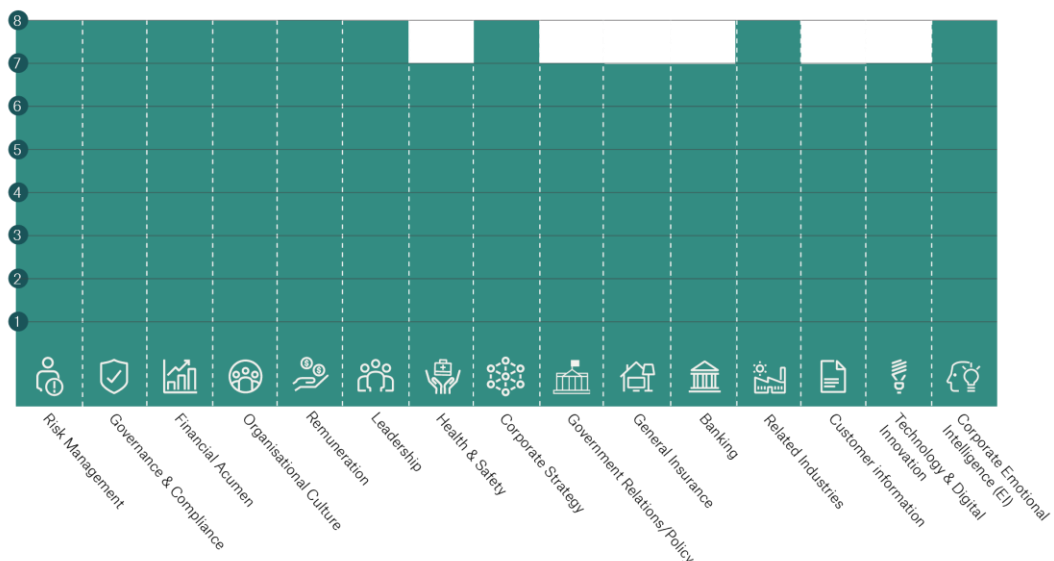


### CORPORATE EMOTIONAL INTELLIGENCE (EI)

Personal attributes relevant to the Board environment including communication skills, the ability to constructively challenge, championing an environment that effectively deals with complex issues and continually seeking to 'lift the bar'. Respected and liked by Board colleagues and credible with executive management.

## Experience of Board members

Number of Directors





The Board considers:

- its current members have an appropriate mix of skills that enable directors to collectively discharge their responsibilities to deliver Suncorp’s strategy and corporate objectives
- that each director demonstrates (i) an understanding of and commitment to the highest standards of governance and risk management (ii) competence, diligence, honesty, integrity and sound judgment; and (iii) they have sufficient time available to undertake their responsibilities to Suncorp.

### 1.7 Board renewal and succession planning


Board renewal and succession planning is an important part of the governance process and the Board is committed to a continuing process of renewal and performance assessment.

During 2018–19 the Board oversaw the succession of existing director Christine McLoughlin as Suncorp Chairman, and appointed new directors Ms Sylvia Falzon and Mr Ian Hammond to complement the Board’s existing skills set and bring valuable sector experience to the deliberations of the Board and its Committees.

The annual Board appraisal includes an assessment of future requirements in relation to its composition and overall performance (section 1.14 refers).

Once the Nomination Committee determines a new director is to be appointed, a candidate search is undertaken based on the Board’s specific selection criteria incorporating the Board Skills Matrix (referred to in section 1.6). The search is supported by external consultants, as required, and includes employment screening checks to ensure a candidate’s suitability.

The Nomination Committee also recommends directors being nominated for re-election to the Board.

 The [Nomination Committee Charter](#) is available on the website. The [Board Charter](#) contains statements on the Board Renewal Policy (and factors relevant in making its decisions).

### 1.8 Fit and Proper Policy

Suncorp maintains a Fit and Proper Policy, in accordance with [APRA’s Prudential Standard CPS 520 Fit and Proper](#), that assists in determining the fitness and propriety of individuals who hold positions of responsibility within Suncorp. Directors are formally assessed against this policy on appointment, and then annually, to confirm they are of good standing, and possess and have maintained the skills and expertise required to fulfil their roles as directors.



### 1.9 Director induction and education

New directors meet with the Board Chairman, the CEO (or Acting CEO), Senior Executives and other senior managers to gain valuable insights into relevant matters of operations and corporate strategy.

Suncorp has a comprehensive director induction program incorporating its financial, strategic, operational and risk management position.


Ongoing director education is provided through regular management presentations on key functions or activities; topical issues such as artificial intelligence, climate change, cyber security; and site visits to Suncorp operations.

Directors regularly meet with employees below executive level to deepen their insights of the Suncorp culture. Examples of how the Board observes the Suncorp culture and behaviours include the directors undertaking regular site visits to offices and store locations, floorwalks across Suncorp’s various sites and presenting and engaging with employees at all levels.


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

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

### 1.10 Directors' remuneration

 The Remuneration Report in the [2018-19 Annual Report](#) describes Suncorp's policy for determining the nature and amount of fees for directors and the relationship between remuneration policy and Company performance.

### 1.11 Minimum shareholding requirement

 Suncorp directors and executives are subject to a minimum shareholding requirement. More information is included in the Remuneration Report in the [2018-19 Annual Report](#).

### 1.12 Meetings of the Board

The Board:


- meets monthly (generally) to consider matters relevant to Suncorp's operations and performance, with additional Board meetings held as and when required throughout the year
- meets at least twice a year with Suncorp Senior Executives to consider matters of strategic importance.

The [Board Charter](#) sets out the quorum for Board meetings.

Senior Executives are invited to:

- attend directors' meetings where matters relevant to their respective function are considered
- present periodic deep dive sessions on topical matters (over and above the strategic discussions) to the Board.

Prior to the end of each meeting of directors, the non-executive directors meet without the CEO or Acting CEO or other management representatives present.

 In 2018-19 the Board held 17 scheduled and ad hoc meetings. The number of Board meetings held during the year is disclosed in section 2 of the Directors' Report in the [2018-19 Annual Report](#), along with each director's attendance.

### 1.13 Directors' access to information and independent advice

Directors receive regular financial and operational reports<sup>1</sup> and have unrestricted access to internal records and to senior management.

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

Directors are entitled, with the Board Chairman's approval, to obtain, at the Company's expense, independent professional advice relating to their role as a director. A copy of any professional advice received by a director is made available to all other Board members except where the circumstances would make that inappropriate.

### 1.14 Annual Board appraisal

A performance appraisal of the Board and its Committees is conducted annually. An independent consultant is engaged periodically to facilitate. When an external consultant facilitates, the results may also be benchmarked against other companies.

In the years where an independent consultant is not engaged, the Board Chairman conducts appraisals.

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

- directors assess the Board's and its Committees' effectiveness in meeting the requirements of their Charters (gathering information by interviewing the directors, requesting feedback on the Board's and Committees' performance from Senior Executives and/or through the completion of questionnaires)
- the contributions of individual directors are assessed

<sup>1</sup> Each director has entered into a deed that provides for access to documents, in certain circumstances, following their retirement as a director.



- the Board Chairman may meet further with individual directors.

The Board discusses and considers the outcomes of the appraisal and agrees any necessary recommendations.

For 2019, the Board has engaged an external consultant to facilitate an independent evaluation of the Board and Board Committees' performance. The consultant will present their findings to the Board.

### 1.15 Five Board Committees – composition and responsibilities

The Board has the ability under the Company's [Constitution](#) to delegate its powers and responsibilities to Committees of the Board to allow directors to spend additional and more focused time on specific matters.


Suncorp's five Board Committees play a crucial part in the governance framework and help the Board discharge its responsibilities. These are the:

- Audit Committee
- Customer Committee
- Nomination Committee
- People and Remuneration Committee
- Risk Committee.

The Board Committees are comprised of:

- non-executive directors only
- at least three members<sup>1</sup>, a majority of whom must be independent
- a chairman appointed by the Board.

Membership of a Board Committee is based on a director's qualifications, skills and experience. The Board regularly reviews and approves the Board Committee Charters, chairmanship and composition.

 Each Committee's Charter sets out its role, responsibilities, composition and structure. Committee charters are available on the [website](#).

A summary of each Board Committee's role is set out in the table on the following page.

Each Board member has a standing invitation to, and receives all papers for, all Board Committees.

The Committee minutes are available to all directors and a written report from the Chairman of each Committee is submitted to the Board soon after the relevant Committee meeting.

The Board may appoint other ad hoc sub-committees from time to time to deal with projects relating to the conduct of Suncorp's various activities.

### Number of Board Committee meetings

 The number of Board Committee meetings held during 2018–19 are disclosed in section 2 of the Directors' Report in the [2018–19 Annual Report](#) along with each director's attendance.

### 1.16 Subsidiary entity governance

Suncorp is the ultimate holding company of a number of subsidiary entities, many of which hold licences issued by regulatory authorities.

The corporate governance responsibilities at the subsidiary entity level support and complement the Board's governance activities addressed in this Statement.

The activities of each subsidiary company are overseen by that company's own board of directors. The Board's confidence in the activities of its controlled entities stems from the calibre of the directors on its subsidiary boards, and their commitment to Suncorp's business objectives. Board members and several of Suncorp's senior management are also directors of significant subsidiary companies.

Suncorp Portfolio Services Limited is a superannuation trustee company with an independent board responsible for the oversight of the Suncorp Master Trust and Suncorp Pooled Superannuation Trust. The Suncorp Board has a monitoring role only in relation to Suncorp Portfolio Services Limited.

<sup>1</sup> The Customer Committee and Nomination Committee are currently comprised of all the non-executive directors.

## Suncorp Group Limited Board of Directors

### Audit Committee

*Dr D McTaggart (Chairman), Mr I Hammond, Ms S Herman, Mr S Machell, Ms C McLoughlin (Ex-Officio)*

The Audit Committee assists the Board in its oversight of Suncorp's financial and operational control environment and reporting on its effectiveness. Specific issues addressed throughout the year, in accordance with its Charter, include:

- reviewing statutory reports and returns for lodgement with APRA
- reviewing half-year and annual financial statements and reports prior to consideration by the Board
- reviewing and assessing reports from management, the Appointed Actuary, the Reviewing Actuary and the external auditors in relation to matters impacting the half-year and annual financial statements
- audit planning and approving audit plans submitted by both internal and external auditors and agreeing areas of audit emphasis and approach
- holding discussions with the internal and external auditors in the absence of management
- reviewing internal and external audit reports and where weaknesses in controls or procedures have been identified, assessing whether remedial action taken by management is adequate and appropriate
- overseeing taxation governance, compliance and reporting
- reviewing the provision of non-audit services by the external auditor to assess whether there is any potential impact on the auditor's independence
- reviewing the assessment of the adequacy of internal controls and processes for managing key risk areas, and where considered necessary, commissioning and directing specific actions and assigning responsibility to ensure internal financial controls are adequate.

### Customer Committee

*All non-executive directors. The Board Chairman is inaugural Chairman of the Customer Committee.*

The Customer Committee was established in September 2018 to support the delivery of a customer-centric strategy and to meet the expectations of customers. Specific matters to be addressed, in accordance with its Charter, include:

- monitoring Suncorp's approach to its customer aspiration, including providing guidance for Suncorp's approach to customer strategy and outcomes
- providing guidance and monitoring to balance the needs of shareholders, customers, employees, regulators and the community
- maintaining oversight and measurement of initiatives and programs relevant to customers
- receiving regular reports from the Customer Advocate function (the Customer Advocate changed their reporting line from the Risk Committee to the Customer Committee effective April 2019).

### Nomination Committee

*All non-executive directors. The Board Chairman is Chairman of the Nomination Committee.*

The Nomination Committee is responsible for making recommendations to the Board on:

- Board composition, renewal and succession planning
- the appointment and re-appointment of non-executive directors, and
- overseeing the Board, individual directors' and Board Committee performance evaluation processes.

### People and Remuneration Committee

*Mr S Machell (Chairman), Ms S Falzon, Ms S Herman, Dr D McTaggart, Ms C McLoughlin (Ex-Officio)*

The People and Remuneration Committee is responsible for establishing and overseeing appropriate policies and practices in relation to remuneration, organisational culture, diversity and inclusion, as well as ensuring the people and remuneration framework supports the achievements of Suncorp's strategic objectives, and is fair, transparent and responsible, as expected by Suncorp's shareholders and the wider community. Specific issues addressed and activities undertaken throughout the year, in accordance with its Charter, include:

- reviewing and making recommendations to the Board on the remuneration arrangements of the CEO, Senior Executives, the Executive General Manager Internal Audit and other responsible persons and their short-term incentive performance conditions; the size of the annual short-term incentive and other incentive pools; the remuneration of non-executive directors and the remuneration structure of the categories of persons covered by the Company's remuneration policy
- the review and monitoring of diversity, executive talent programs and people engagement
- overseeing appropriate policies in relation to the recruitment, retention and termination of Senior Executives; organisational culture; diversity and inclusion; employee engagement, talent management and employee relations strategies.

### Risk Committee


*Ms S Herman (Chairman), Ms A Exel AO, Mr L Tanner, Ms C McLoughlin (Ex-Officio)*

The Risk Committee assists the Board with oversight across all categories of risk, through the identification, assessment and management of risk and monitoring adherence to internal risk management policies and procedures. Specific issues addressed and activities undertaken throughout the year, in accordance with its Charter, include:

- reviewing and recommending the risk management strategies and Enterprise Risk Management Framework prior to consideration by the Board
- reviewing and recommending the Suncorp risk profile and risk appetite
- reviewing Group and business function risk reports and assessing performance against risk appetite
- oversight of the business planning and capital management development process
- reviewing and approving Suncorp's policy framework and policy suite
- monitoring new and emerging risks, organisational change and major initiatives and considering the risk implications for Suncorp
- receiving reports on Suncorp's legal and regulatory compliance processes
- receiving reports concerning the risk implications of poor conduct and risk culture, and make recommendations on corrective actions to the Board as appropriate
- engaging with the Customer Advocate function periodically as required.

## 2. Suncorp Senior Leadership

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

 The biographies of the Acting CEO and Senior Leadership Team are available on the [website](#).

### 2.1 Company Secretary

The Company Secretary provides advice and support to, and is accountable to, the Board through the Chairman, for all corporate governance matters relating to the Board's efficient functioning. This includes responsibility for:

- advising the Board and its Committees and subsidiary entities on corporate governance matters
- monitoring compliance with Board and Committee policies and procedures
- coordinating the secure and timely completion and dispatch of Board and Committee papers distributed via a secure directors' portal
- ensuring the business conducted at Board and Committee meetings is accurately captured in the minutes of meetings and the attendant Board resolutions
- facilitating the annual Board appraisal and the induction and professional development of new and existing directors.

Each director can communicate directly with the Company Secretary. The Company Secretary is appointed and removed by the Board.

Mr Darren Solomon LLB has been Company Secretary of Suncorp since 2010. His employment with Suncorp began in 1989 as a senior lawyer in the legal department before joining Company Secretariat in 2006. Further detail is provided in section 4 of the Directors' Report in the [2018–19 Annual Report](#).

### 2.2 Senior Executive induction and ongoing education

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

In the same way as directors are screened for suitability, Senior Executives and other senior managers who meet the selection criteria are formally assessed under Suncorp's Fit and Proper Policy upon appointment, and then annually, to confirm they have the requisite qualifications, expertise and skills to fulfil their role and properly perform their duties and responsibilities. This is also a requirement under APRA's Prudential Standards which apply to all the Group's major operating entities (section 1.8 also refers).

Suncorp supports its Senior Executives and other employees in maintaining and enhancing their industry and business knowledge, expertise and respective professional qualifications.



## 3. Responsible remuneration framework



Suncorp is committed to a fair, transparent and responsible remuneration framework that reinforces executive accountability as expected by shareholders, customers, employees and the wider community.

The remuneration framework provides competitive rewards that motivate executives to deliver superior and sustainable returns to shareholders and that support alignment with the Group's purpose, vision and strategy.

### 3.1 Remuneration changes 2019–20

The remuneration framework has been reviewed over 2018–19 to ensure it appropriately supports Suncorp's refined purpose to create a better today for our customers and keeps pace with the evolving regulatory environment. The Board People and Remuneration Committee made recommendations to the Board to enhance Suncorp's remuneration practices in 2019–20. Full details of the remuneration framework changes are provided in the Remuneration Report in the [2018–19 Annual Report](#).



## 3.2 Remuneration governance


In structuring remuneration, the Board People and Remuneration Committee and the Board have given additional attention to ensuring Suncorp's remuneration system reinforces and promotes executive accountability, a constructive company culture and an appropriate risk management environment. The People and Remuneration Committee:

- recommends the Group's people and remuneration framework and practices to the Board for approval
- assists the Board in fulfilling its responsibilities by ensuring frameworks are in place that enable Suncorp to attract, motivate and retain talent and support the achievement of strategic and business objectives
- recommends/endorse target and maximum remuneration levels and remuneration outcomes for the CEO and Senior Executives to the Board for approval
- receives input from the Audit Committee, Risk Committee, external advisers and management
- consults with institutional investors and proxy advisors on the appropriateness of Suncorp's remuneration arrangements.

During the reporting period Ms Christine McLoughlin was People and Remuneration Committee Chairman until handing over on 20 September 2018 to Mr Simon Machell. The People and Remuneration Committee met five times during 2018-19.

## 3.3 Remuneration Report

The annual Remuneration Report explains the remuneration framework and the remuneration paid to the non-executive directors, CEO and Senior Executives. The Remuneration Report also discloses the processes for evaluating the performance of the CEO and Senior Executives, including performance outcomes, details of the short-term and long-term incentive structures, deferral, hedging prohibitions, malus and clawback provisions.

 The Remuneration Report is in the [2018-19 Annual Report](#) and will be put before shareholders for adoption at the 2019 AGM.

## 3.4 Annual evaluation of executives' performance

The CEO, Senior Executives, and other senior managers are assessed against a scorecard of performance measures in relation to Financials, Customer, Risk and People which align with the Board-approved business plan.

Suncorp's performance management framework also requires leaders to assess the way results are obtained in addition to assessing the actual scorecard result.

### Senior Executives

At each year end, each Senior Executive's performance is assessed against a set of desired behaviours that positively support Suncorp's culture. These assessments are also undertaken in the context of industry and market conditions.

### CEO

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



More details on executive performance assessment are in the Remuneration Report in the [2018-19 Annual Report](#).

## 4. Promoting responsible and ethical behaviour through organisational culture and conduct codes

Suncorp's culture encourages employees to show that they care for customers, communities and each other, and to have the courage to do the right thing.

Suncorp's behavioural framework called 'Our Compass' describes the behaviours the Board believes form a foundation for a strong culture and a successful business. Consistent demonstration of these behaviours can influence overall individual performance outcomes.

## 4.1 Our culture

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

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

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

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

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

## 4.2 Code of Conduct and related policies

In conjunction with Our Compass behaviours, Suncorp's [Code of Conduct](#):

- outlines the standards of corporate behaviour expected of the Board, executives, senior managers, leaders and all employees



- helps ensure everyone does the right thing by Suncorp, customers, suppliers, partners, intermediaries, shareholders and each other
- endeavours to promote behaviour that ensures people feel valued, respected and supported, that business activities are conducted honestly and with integrity, and that legal and regulatory obligations and industry codes of practice are complied with.

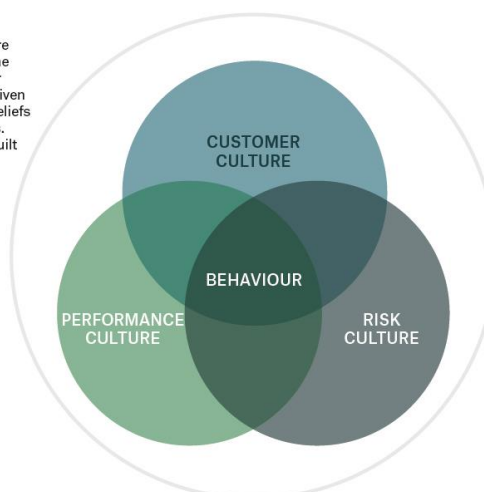
Suncorp's customer-centric strategy requires alignment across the total workforce – including strategic and joint venture partners who have an interest in the quality and development of Suncorp products and services.

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

Several key additional internal Suncorp policies are in place to reinforce adherence to the Code of Conduct and industry codes of practice such as the:

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

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



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

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


**Performance culture:** helping our people understand the behaviours and outcomes that are valued and rewarded at Suncorp.

### 4.3 Whistleblower protection

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

- externally via the Suncorp Whistleblower Service (an independent and confidential channel)
- directly to the Whistleblower Protection Officer
- internally by an employee to their leader, through their leader's reporting lines (including the function's CEO and a member of the Group Leadership Team)
- directly to the regulator or in the case of reportable conduct in New Zealand, to the appropriate authority (provided specific requirements as outlined in the Protected Disclosures Act are met).

Non-Whistleblower related matters can also be raised with leaders and with the Suncorp Customer Advocate Office.

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

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

### 4.4 Trading in Suncorp securities

The Corporations Act and Suncorp's [Securities Trading Policy](#) prohibit directors, executives and all employees from trading in Suncorp securities at any time while in possession of price-sensitive information. In addition:

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

- as part of this Board-approved policy, directors must not enter a transaction designed to limit the economic risk of a holding in unvested Suncorp securities (i.e. a hedging transaction).

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

### 4.5 No political donations

During the 2018–19 financial year Suncorp made no political donations.

## 5. Communications with market, media, securityholders and customers

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

### 5.1 Continuous disclosure

Suncorp's [Disclosure Policy](#) and associated procedures:

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

The Corporate Disclosure Officer is responsible for ensuring compliance with ASX continuous disclosure requirements, and for coordinating the disclosure of information to the ASX, shareholders, investors, analysts, the media and the public.

The Disclosure Committee meets regularly and as required. It comprises the CEO, the Chief Financial Officer (CFO), the General Counsel, the Executive General Manager Investor Relations and the Executive General Manager Group Corporate Affairs who assist the Corporate Disclosure Officer in making disclosure-related decisions.

### 5.2 Media relations

Social media provides additional channels for the Company to communicate and engage with



customers and the community in real time on important and relevant matters.

The Group's media and social media channels are used to promote Suncorp, its brands, products, services and interests in a balanced and positive way, while protecting the organisation's reputation.

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

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

### 5.3 Maintaining relationships with key investors and stakeholders

Suncorp's Investor Relations team coordinates an active investor relations program to maintain dialogue with institutional investors, retail investors and sell-side analysts through meetings, presentations, and other ad hoc events.

The program includes domestic and international investor roadshows, conferences and briefings.

Any material information is released to the ASX prior to briefings with shareholders or analysts, and where possible a webcast and transcripts are made available through the website.

### 5.4 Suncorp encourages online and electronic communication with securityholders

Suncorp's ASX announcements are automatically published on the [website](#), enabling access by the broader investment community. Interested parties can register to receive news updates.

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

Shareholders are encouraged to, and do, regularly communicate electronically with Suncorp's share

registry, [Link Market Services](#), on all shareholder-related matters.

### 5.5 Suncorp Annual General Meeting – 26 September 2019

The 2019 Suncorp AGM will be held at 10:30am on Thursday 26 September 2019 at the Sofitel Brisbane Central, 249 Turbot Street, Brisbane.

A Notice of AGM is sent to shareholders at least 28 days in advance of the meeting – this material includes explanatory notes that clearly explain the nature of the AGM business and the resolutions to be put to shareholders.

The AGM begins with a business presentation, followed by a question and answer session led by the Board Chairman.

The AGM voting results are lodged with the ASX as soon as practicable after the AGM and published on the Company's website.

Shareholders are encouraged to attend the AGM or

submit questions to the Board prior to the meeting. Shareholders who are unable to attend may vote directly (online) in advance of the meeting or appoint a proxy to attend and vote on their behalf. The AGM is webcast live on the

website for interested parties who are unable to attend.

### 5.6 Suncorp Customer Advocate Office

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


The Executive General Manager Customer Advocate has a standing invitation to report to the Board Customer Committee, and the Board Risk Committee (as required), on the Office's activities.

Strengthening support for customers who may be experiencing vulnerability has been a key priority and this year Suncorp has proactively looked for ways to improve its hardship practices, upskill its frontline teams and work with external stakeholders and advocate groups to drive industry change.



During 2018–19, the Customer Advocate Office reviewed several complex and sensitive customer complaints focusing on improved outcomes and resolution for Suncorp customers.

The Customer Advocate Office continues to work with the Banking & Wealth, Insurance and Customer Marketplace teams to deliver key changes to improve the identification and support provided to customers experiencing vulnerability.

 More information about the Customer Advocate is in the Trust and Transparency section of the [2018–19 Responsible Business Report](#).

## 6. Integrity of financial and corporate reporting

### 6.1 Suncorp’s approach to financial reporting

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

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

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


### 6.2 Board Audit Committee oversees financial reporting

The Board Audit Committee is responsible for assisting the Board and other Committees to fulfil their statutory and fiduciary responsibilities with respect to overseeing Suncorp’s financial and operational control environment.

The Audit Committee also monitors internal control policies and procedures designed to safeguard Suncorp’s assets and maintain the integrity of financial and corporate reporting.

The Audit Committee consists of independent, non-executive directors, all of whom have an extensive understanding of audit, finance and reporting. The Audit Committee met five times during 2018–19.

The CEO, CFO, Chief Risk Officer (CRO) and the internal and external auditor are invited to meetings at the discretion of the Audit Committee Chairman. The Audit Committee also holds regular discussions with the auditors in the absence of management.

 A summary of the Audit Committee’s key responsibilities is set out in section 1.15 and full details are in its [Charter](#).

### 6.3 Internal Audit

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

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

Members of Internal Audit have unrestricted access to all Suncorp activities, records, property and personnel.

The Executive General Manager Internal Audit has a direct functional reporting line to the Audit Committee Chairman and unrestricted access to the Audit Committee. The internal audit function is independent of the external auditor.

### 6.4 Integrity of Suncorp’s annual financial and corporate reporting

The Board receives regular management reports about Suncorp’s financial condition and operational results (as well as its controlled entities) and monthly reports on the key financial and business results reported against budget, with regular updates on yearly forecasts.

Suncorp’s annual reporting suite of documents are subject to a thorough legal review and verification process, with material input from the external auditor KPMG who provide their independent audit report on the Annual Report prior to its release to the ASX.

A working group (comprising the CFO, the Executive General Managers of both Corporate Affairs and Investor Relations, the Head of Company Secretariat, the Head of Risk Enablement and the CFO Corporate Services) oversees the preparation of the annual reporting documents.

The Audit Committee has reviewed the integrity of the Company's Annual Report and financial statements for the financial year ended 30 June 2019 and confirmed that they comply with accounting standards and present a true and fair view of the Company's financial condition and operational results.

### 6.5 CEO, Chief Financial Officer and Chief Risk Officer provide assurance

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

- a written declaration regarding the integrity of the financial statements of the Suncorp Group for the 2018–19 financial year
- assurance that Suncorp Group's risk management and internal compliance and control systems are operating effectively in all material respects.

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


### 6.6 Suncorp's Responsible Business practices and reporting

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

Suncorp's corporate responsibility commitments contribute to its overarching purpose to create a better today for our customers.

Suncorp completes regular materiality assessments to help identify and prioritise the topics of most significance for the business to address. It also helps Suncorp make informed and balanced decisions that reflect the needs and expectations of the business, stakeholders and society, both now and in the future.

Suncorp proactively manages these material topics through the four key Corporate Responsibility Principles of: Trust and Transparency, Responsible Financial Services, Sustainable Growth and Resilient People and Communities.

 Details of how Suncorp is responding to these topics, and how the Principles are integrated into Suncorp's business policies and practices, as well as performance highlights and future activities are discussed in the [2018–19 Responsible Business Report](#).

### 6.7 External auditor – KPMG

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

For the 2018–19 financial year Suncorp's external auditor is KPMG (having been reappointed as auditor in 2018 after completion of a formal tender process).

KPMG has a partner rotation policy that requires the signing and engagement partner to change every five years in accordance with the requirements of the Corporations Act. The Board has endorsed the rotation policy.

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

In December 2018, the Board approved an Audit Independence Policy.

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

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



## 7. Information technology and cyber security



### 7.1 Information technology governance

Suncorp relies on its information platforms to:

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

The capabilities of Suncorp’s Technology, Data and Labs function (TDL) reflect customers’ expectations as TDL supports the organisation through the development and service management of core systems, digital enablement, provision of data and insights, infrastructure and security services.

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

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

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

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

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

### 7.2 Cyber security

Customers are increasingly using digital channels to manage their finances.

Suncorp’s people rely on technology to manage the day-to-day operations of the business. Protecting and managing data is critical to maintaining the trust and confidence of Suncorp’s stakeholders, and building the resilience of the business.

Suncorp continues to invest in and uplift its information security capability, including threat assessment and response, and information security controls design and effectiveness, through a dedicated annual program of work.

Suncorp continually reviews security threats to the organisation and has a comprehensive range of security controls in place to protect customers and the organisation from information security threats.

These are designed, implemented and tested by a dedicated Security function within Suncorp’s Chief Information Office.

The Technology Risk Management Committee and the Board Risk Committee provide oversight and visibility of information security risk and ensure alignment with risk appetite and the broader Enterprise Risk Management Framework.

Suncorp implements a broad set of security controls including:

- robust firewall protection
- automated security detection and response capabilities
- real-time fraud monitoring to detect threats.

Suncorp works closely with the banking industry, the Australian High-Tech Crime Centre and the Australian Federal Police.

The Suncorp Fraud Detection team ensures an immediate response to suspicious account activity and provides early detection of potential cases of fraud.

Suncorp is a member of the Australian Computer Emergency Response Team (CERT Australia), which notifies companies of online criminal activity globally.

Suncorp's information security incident management and response plan forms part of its broader disaster recovery and business continuity. A dedicated Critical Incident Management team responds to and mitigates against critical technology incidents and the Suncorp Incident Response team coordinates communications and response activities.

Suncorp's Internal Audit team regularly conducts information security audits across control design and effectiveness, operations, policy, and governance aspects.

The Board has ultimate responsibility for information security and risks are reported to the Board at least quarterly through the Board Risk Committee.

## 8. Suncorp Enterprise Risk Management

### 8.1 Approach to risk management and internal control

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

Suncorp has systems, policies, processes and people in place to identify, measure, analyse, monitor, report and control or mitigate internal and external sources of material risk.

Effective risk management is supported by:

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

### 8.2 Risk Management Policy

Suncorp's Risk Management Policy sets out:

- the minimum standards to manage the risks that Suncorp is exposed to as it implements its strategic and business objectives
- roles and responsibilities including the Three Lines of Defence model for risk management accountability.

The policy is supported by the Enterprise Risk Management Framework (ERMF) which represents Suncorp's Risk Management strategy.

### 8.3 Risk Management Framework

Suncorp's ERMF applies to Suncorp and all its regulated entities. It lays the foundation for the approach to risk management and will continue to evolve with the business strategy and operating environment. The ERMF:

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

The Board approves the ERMF following endorsement by the Board Risk Committee. It is subject to biennial review and updated for material changes when required. The ERMF was last reviewed and updated during the 2018-19 financial year.

### 8.4 Chief Risk Office function

The Chief Risk Office function provides oversight and input into Suncorp's strategy, risk appetite, policies and business plans to ensure the Board and Senior Leadership Team have adequately considered the risks they are exposed to and own.

Suncorp has a vision for risk management that is underpinned by the 'Future of Risk Principles'. These principles are used to support decision-making regarding how Suncorp manages risk and includes:

- risk is business-owned
- a balance between simplicity and complexity

- a ‘One Suncorp’ approach
- risk is data-driven and future-focused.

Consistent with these principles, Suncorp is investing in several initiatives to enhance the way risk is managed, supporting leaders to better own and manage their risks, obligations and accountabilities. These initiatives take into consideration business objectives, regulatory requirements, industry events, and emerging risks.

## 8.5 Risk culture

Suncorp’s risk culture is a core component of Suncorp’s overall culture which is defined as the aggregation of observed behaviours across all employees in the organisation, driven by the values and beliefs of its people (section 4.1 refers).

## 8.6 Board Risk Committee

The Board Risk Committee assists the Board in overseeing Suncorp’s identification, assessment and management of risk, its adherence to internal risk management policies and procedures, monitoring risk culture across Suncorp, and considering actions required to ensure a sound risk culture is established. (Refer also to page 16 for the Risk Committee’s remit.)

The Risk Committee Chairman is also a member of the People and Remuneration Committee. The Risk Committee met five times during 2018–19.

## 8.7 Risk governance

The Board’s governance responsibilities include approval of and setting the Board’s risk appetite.

The CEO and the Senior Leadership Team have authority to establish management committees to ensure the smooth operation of the business and assess day-to-day business performance.

The Suncorp CRO’s and function CROs’ attendance at Board and management committee meetings is required for committees that monitor and oversight material risks.

The Suncorp CRO and function CRO representatives have authority to challenge decisions and may escalate matters through functional reporting lines and to the Board’s Risk Committee, Audit Committee and the New Zealand Board Audit and Risk Committees when needed.

Accountability for the governance of risk management exists at two levels. Primary accountability rests with the Board, the Risk Committee and the Audit Committee; the second rests with management, in the execution of the ERMF and application of the Three Lines of Defence model.

Specifically relating to risk management and internal controls, the Board:


- approves and oversees the process developed by management to ensure business risks are identified
- approves and oversees systems of risk management, risk appetite, regulatory compliance, control management and associated Suncorp policies to manage those risks
- monitors management’s implementation of, and compliance with, these systems and controls.

## 9. Diversity, inclusion and flexibility



Suncorp aspires to be one of the most inclusive places to work in Australia and New Zealand by providing an open, inclusive and accessible work environment for all its people regardless of age, gender, ability or cultural background.

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

 Suncorp’s policy on diversity and inclusion is contained within its [Equal Employment Opportunity & Diversity Policy](#).

### 9.1 Leadership, governance and strategy

At Suncorp, diversity, inclusion and flexibility have the highest level of commitment and support. The Acting CEO chairs the Suncorp Diversity Council which meets quarterly and the Senior Leadership Team reviews and discusses progress against key diversity measures monthly.



The Diversity Council has the following key objectives:

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

The Board, Senior Leadership Team and Diversity Council annually approve the Diversity and Inclusion Plan which has four areas of focus: Gender equality, Inclusion, Age diversity and Cultural diversity.

Suncorp’s people are encouraged to build a more diverse, inclusive and flexible workforce. Leaders are expected to take practical steps to increase the workforce’s diversity, ensure people feel included within the workplace and promote the application of flexible working.

Suncorp offers training on diversity and inclusion, including an annual compliance module for all employees.

## 9.2 Gender equality initiatives

Suncorp leaders believe workplace gender equality is achieved when all Suncorp people are able to access the same rewards, resources and opportunities regardless of their gender.

This commitment to gender equality is reflected in Suncorp’s progress towards its gender equality goals. The target of 45 per cent of senior leader positions held by women by 30 June 2019 was reached (with 46.5 per cent achieved) as well as gender balance across all leadership roles, which has been achieved and maintained since 2018.

As at 30 June 2019, the percentage of women the Suncorp Group employed across directors, leaders and all roles was:



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

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

Suncorp’s initiatives to support gender equality include:

- mandating at least one qualified male and one qualified female candidate on shortlists for senior leader role vacancies
- monitoring the diversity of people hired, promoted and developed
- reinforcing the Company’s commitment to gender pay equity, by undertaking gender pay equity reviews twice a year
- ensuring gender-balanced participation in leadership development programs
- that career resiliency leadership programs focus on building a pipeline of talented female leaders
- providing paid domestic and family violence leave in addition to our existing offering
- providing and encouraging flexible working practices
- supporting the Suncorp Women Connect employee resource group which is designed to champion and transform the experience of women in Suncorp.

Suncorp has complied with its [2019 reporting obligations](#) under the *Workplace Gender Equality Act 2012* (Cth) and in February 2019 was recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for the sixth consecutive year.

## 9.3 Flexible work arrangements

Flexible work offerings are a crucial contributor to an inclusive culture and Suncorp is proud of its leading position in this area. In 2018–19, 84 per cent of Suncorp’s people took advantage of flexible working options.

When surveyed, Suncorp employees said workplace flexibility was one of the best things about working at Suncorp. There is an extensive range of flexible working provisions on offer and Suncorp continues to look for opportunities to help its people to better manage their lifestyle options.

## 9.4 Inclusion initiatives

Initiatives supporting inclusion at Suncorp include:

- reviewing people practices and policies through an Inclusion Audit, and implementing changes to address any gaps (including revising practices and developing training)
- co-sponsoring the 2019 Inclusion@Work Index (with the Diversity Council of Australia)
- supporting the Amplify employee resource group which champions inclusion of Suncorp’s LGBTIQ+<sup>1</sup> community
- launching an employee resource group to support employees with links to the Defence Force community
- introducing *Leading Inclusively* training modules to support inclusivity in all areas of the employee lifecycle.

## 9.5 Age diversity initiatives

Suncorp champions age diversity to better reflect the composition of the Australian and New Zealand workforce. This includes a focus on supporting mature-age employees (defined as employees aged 55 years and over) who have significant industry and Company insights, wisdom, and specialist knowledge to share with others.

Mature-age attraction, retention and engagement strategies have been developed and as at 30 June 2019, mature-age employees made up 11.4 per cent of Suncorp’s population.

Suncorp’s initiatives in support of age diversity include:

- supporting the Life-X employee resource group which promotes the attraction, retention and knowledge sharing of mature-age employees
- supporting its Millennial’s Cohort who provide a platform to employees who identify as a millennial or digital native
- development of an intergenerational mentoring program to encourage reciprocal learning and multi-generational relationships
- ‘Envisage’, a program designed to support Suncorp’s people aged 50+ to make positive choices about planning the next phase of their lives and careers

- offering learning modules to support mature-age employees and their leaders, including the *Working with mature-age employees and discussing retirement: Leader Guide*
- creation of a mature-age employment pathway program to support attraction and recruitment.

## 9.6 Indigenous strategy

Initiatives aligned with Suncorp’s [Reconciliation Action Plan](#) and [Financial Inclusion Action Plan](#), in support of Indigenous employees at Suncorp include:

- creation of an Indigenous Employment Pathway Program to support attraction and recruitment
- successfully delivering Career Trackers Indigenous intern placements
- offering cultural activities, including cultural walking tours, to build awareness
- developing support guides for working with Aboriginal and Torres Strait Islander employers to foster an inclusive work environment.

## 9.7 Cultural and linguistic diversity

Initiatives aligned with Suncorp’s [Financial Inclusion Action Plan](#) in support of culturally and linguistically diverse employees at Suncorp include:

- creation of an Employment Pathway Program for refugees and migrants with humanitarian needs to support attraction and recruitment
- establishing an annual calendar of events to celebrate cultural diversity throughout the year
- more than 200 A Taste of Harmony events that were well supported and promoted throughout the Group
- the launch in April 2019 of a partnership with Multicultural Development Australia to provide job readiness training, career mentoring, Suncorp employment pathways, financial literacy workshops, cultural capability training, and support for community events.



More details on our initiatives and performance are in the Resilient People and Communities section of the [2018-19 Responsible Business Report](#).

<sup>1</sup> LGBTIQ+ - Lesbian, Gay, Bisexual, Transgender, Intersex and Queer+

## Compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition)

This Corporate Governance Statement (Statement) for Suncorp Group Limited (the Company) reports on the corporate governance framework, policies and practices of the Company and its subsidiaries (the Suncorp Group, Suncorp or the Group), where these apply, and highlights where related governance documents and other information are located on the [Suncorp Group website](#). The Suncorp Board of Directors has approved this Statement and the representations made are accurate as at 7 August 2019.

The Company, as an entity admitted to the official list of the Australian Securities Exchange (ASX) with an official ASX listing, must comply with the ASX Listing Rules, as well as the *Corporations Act 2001* (Cth) and other Australian laws. The ASX Listing Rules require the Company to report on how it has followed the corporate governance recommendations contained in the ASX Corporate Governance Council's [Corporate Governance Principles and Recommendations 3<sup>rd</sup> edition](#) (ASX CGC Principles). Throughout the reporting period (being the financial year ended 30 June 2019), Suncorp's governance arrangements have been consistent with the ASX CGC Principles. Suncorp proposes to adopt the 4<sup>th</sup> edition of the ASX CGC Principles for the 2019–20 financial year.

As an entity regulated by the Australian Prudential Regulation Authority (APRA), the Company also complies with the governance requirements prescribed under APRA's Prudential Standard CPS 510 *Governance*.

Information on Suncorp's governance framework is also provided on the [Suncorp Group website](#) and includes Board and Committee charters, many of the policies and documents mentioned in this Statement and others. The website is updated regularly.

References in this Statement to '2019' mean the financial year ending 30 June 2019. Unless otherwise indicated, references to 'Suncorp', 'Group' or 'Suncorp Group' mean Suncorp Group Limited and its controlled entities. References to 'the website' are to [suncorpgroup.com.au](#).



Suncorp's 2018–19 Annual Report was published on 7 August 2019 (and is available on the website at [suncorpgroup.com.au](#)). Suncorp's Appendix 4G (a checklist to cross reference the disclosures made in this Statement to the ASX CGC Principles) is available at [suncorpgroup.com.au](#).



# Appendix 4G

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

Name of entity

**Suncorp Group Limited**

ABN

66 145 290 124

Financial year ended

30 June 2019

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

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

The Corporate Governance Statement is accurate and up to date as at 7 August 2019 and has been approved by the Board. The annexure includes a key to where our corporate governance disclosures can be located.

**Date: 7 August 2019**

Name of Company Secretary  
authorising lodgment:



DARREN SOLOMON

## Annexure – Key to Corporate Governance Disclosures

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>	
1.1 A listed entity should disclose: a. the respective roles and responsibilities of its board and management; and b. those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (sections 1.1 and 1.2) ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Corporate Governance Statement (sections 1.1 and 1.2)
1.2 A listed entity should: a. undertake appropriate checks before appointing a person, or putting forward to securityholders a candidate for election, as a director; and b. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 1.7) <input checked="" type="checkbox"/> in our Notice of AGM at <a href="http://suncorpgroup.com.au">suncorpgroup.com.au</a> (available in late August 2019)
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 1.1) <input checked="" type="checkbox"/> in section 6 of the Remuneration Report contained within the 2018–19 Annual Report at <a href="http://suncorpgroup.com.au">suncorpgroup.com.au</a>
1.4 The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2.1) <input checked="" type="checkbox"/> in our Suncorp Group <a href="#">Board Charter</a>

## Corporate Governance Council recommendation

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

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

- 1.5 A listed entity should:
- have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
  - disclose that policy or a summary of it; and
  - disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:
    - the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
    - if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.
- 1.6 A listed entity should:
- have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
  - disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.
- 1.7 A listed entity should:
- have and disclose a process for periodically evaluating the performance of its senior executives; and
  - disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.
- ... the fact that we have a diversity policy that complies with paragraph (a):  
 in our Corporate Governance Statement (sections 9, 9.1 and 9.2)  
... and a copy of our Equal Employment Opportunity & Diversity Policy or a summary of it:  
 at [suncorpgroup.com.au](http://suncorpgroup.com.au)  
... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:  
 in our Corporate Governance Statement (section 9.2)  
... and the information referred to in paragraphs (c)(1) or (2):  
 in our Corporate Governance Statement (sections 1.1, 2 and 9.2)
- ... the evaluation process referred to in paragraph (a):  
 in our Corporate Governance Statement (sections 1.7 and 1.14)  
... and the information referred to in paragraph (b):  
 in our Corporate Governance Statement (section 1.14)
- ... the evaluation process referred to in paragraph (a):  
 in our Corporate Governance Statement (section 3.4)  
 in section 2 of the Remuneration Report which is contained in the 2018-19 Annual Report at [suncorpgroup.com.au](http://suncorpgroup.com.au)  
... and the information referred to in paragraph (b):  
 in our Corporate Governance Statement (section 3.4)



## Corporate Governance Council recommendation

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

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

- 2.1 The board of a listed entity should:
- have a nomination committee which:
    - has at least three members, a majority of whom are independent directors; and
    - is chaired by an independent director, and disclose:
      - the charter of the committee;
      - the members of the committee; and
      - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
  - if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.
- 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership
- 2.3 A listed entity should disclose:
- the names of the directors considered by the board to be independent directors;
  - if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
  - the length of service of each director.
- 2.4 A majority of the board of a listed entity should be independent directors.
- 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.
- ... the fact that we have a Nomination Committee that complies with paragraphs (1) and (2):
- in our Corporate Governance Statement (section 1.15)
- ... and a copy of the charter of the committee:
- at [suncorpgroup.com.au](http://suncorpgroup.com.au)
- ... and the information referred to in paragraphs (4) and (5):
- in our Corporate Governance Statement (section 1.1 and 1.15)
  - in section 2 of the Directors' Report in the 2018-19 Annual Report at [suncorpgroup.com.au](http://suncorpgroup.com.au)
- ... our Board Skills Matrix:
- in our Corporate Governance Statement (section 1.6)
- ... the names of the directors considered by the board to be independent directors:
- in our Corporate Governance Statement (sections 1.1)
- ... and, where applicable, the information referred to in paragraph (b):
- in our Corporate Governance Statement (section 1.5)
- ... and the length of service of each director:
- the term of office is disclosed in our Corporate Governance Statement (section 1.1) and in the directors' profiles in section 1 of the Directors' Report in the 2018-19 Annual Report at [suncorpgroup.com.au](http://suncorpgroup.com.au)
- ... the fact that we follow this recommendation:
- in our Corporate Governance Statement (sections 1.1 and 1.3)
- ... the fact that we follow this recommendation:
- in our Corporate Governance Statement (section 1.5)

## Corporate Governance Council recommendation

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

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

2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

... the fact that we follow this recommendation:

in our Corporate Governance Statement (section 1.9)

### PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

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

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

is referred to in our Corporate Governance Statement (sections 1.4 and 4.2)

a copy of the Code of Conduct is at this location [suncorpgroup.com.au](http://suncorpgroup.com.au)

### PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

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

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

in our Corporate Governance Statement (sections 1.15 and 6.2)

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

at [suncorpgroup.com.au](http://suncorpgroup.com.au)

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

in our Corporate Governance Statement (sections 1.1, 1.6 and 6.2 and section 1 of the Directors' Report in the 2018–19 Annual Report at [suncorpgroup.com.au](http://suncorpgroup.com.au)

and in section 2 of the Directors' Report in the 2018–19 Annual Report at [suncorpgroup.com.au](http://suncorpgroup.com.au)

4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

... the fact that we follow this recommendation:

in our Corporate Governance Statement (sections 6.1, 6.2, 6.4 and 6.5)

## Corporate Governance Council recommendation

- 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from securityholders relevant to the audit.

## PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

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

## PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

- 6.1 A listed entity should provide information about itself and its governance to investors via its website.
- 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.
- 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.
- 6.4 A listed entity should give securityholders the option to receive communications from, and send communications to, the entity and its security registry electronically.

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

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... the fact that we follow this recommendation:

- in our Corporate Governance Statement (section 6.7)

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

- in our Corporate Governance Statement (section 5.1) we provide a summary
- at [suncorpgroup.com.au](http://suncorpgroup.com.au) we provide the Disclosure Policy

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

- at these locations:

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

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

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

... the fact that we follow this recommendation:

- in our Corporate Governance Statement (sections 5.3)

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

- in our Corporate Governance Statement (sections 5.4 and 5.5)

... the fact that we follow this recommendation:

- in our Corporate Governance Statement (section 5.4)
-



## Corporate Governance Council recommendation

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

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### PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

- 7.1 The board of a listed entity should:
- have a committee or committees to oversee risk, each of which:
    - has at least three members, a majority of whom are independent directors; and
    - is chaired by an independent director, and disclose:
    - the charter of the committee;
    - the members of the committee; and
    - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.
- 7.2 The board or a committee of the board should:
- review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
  - disclose, in relation to each reporting period, whether such a review has taken place.
- 7.3 A listed entity should disclose:
- if it has an internal audit function, how the function is structured and what role it performs; or
  - if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.
- 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.
- ... the fact that we have a Risk Committee that complies with paragraphs (1) and (2):  
 in our Corporate Governance Statement (sections 1.15 and 8.6)  
... and a copy of the charter of the committee:  
 at [suncorpgroup.com.au](http://suncorpgroup.com.au)  
... and the information referred to in paragraphs (4) and (5):  
 in our Corporate Governance Statement (sections 1.1, 1.15 and 8.6)  
 and in section 2 of the Directors' Report in the 2018-19 Annual Report at [suncorpgroup.com.au](http://suncorpgroup.com.au)
- ... the fact that the board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:  
 in our Corporate Governance Statement (sections 8.1, 8.3 and 8.6)  
... and that such a review has taken place in the reporting period covered by this Appendix 4G:  
 in our Corporate Governance Statement (section 8.3)
- ... how our internal audit function is structured and what role it performs:  
 in our Corporate Governance Statement (sections 6.3)
- ... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:  
 at [suncorpgroup.com.au](http://suncorpgroup.com.au) specifically in the business-related and responsible business disclosures contained in the 2018-19 Responsible Business Report, sections 6.6 and 8 of the Corporate Governance statement, the Operating and Financial Review within the 2018-19 Annual Report (and notes 29-31 in the 2018-19 financial statements) at [suncorpgroup.com.au](http://suncorpgroup.com.au)
-

## Corporate Governance Council recommendation

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

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### PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

- 8.1 The board of a listed entity should:
- have a remuneration committee which:
    - has at least three members, a majority of whom are independent directors; and
    - is chaired by an independent director, and disclose:
      - the charter of the committee;
      - the members of the committee; and
      - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
  - if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.
- 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.
- 8.3 A listed entity which has an equity-based remuneration scheme should:
- have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
  - disclose that policy or a summary of it.
- ... the fact that we have a People and Remuneration Committee that complies with paragraphs (1) and (2):
- in our Corporate Governance Statement (sections 1.1, 1.15 and 3.2)
- ... and a copy of the charter of the committee:
- at [suncorpgroup.com.au](http://suncorpgroup.com.au)
- ... and the information referred to in paragraphs (4) and (5):
- in our Corporate Governance Statement (sections 1.1, 1.15 and 3.2)
  - and in sections 2 of the Directors' Report and 5.1 of the Remuneration Report which are both contained in the 2018-19 Annual Report at [suncorpgroup.com.au](http://suncorpgroup.com.au)
- ... we separately disclose our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:
- in our Corporate Governance Statement (sections 1.10 and 3)
  - and in the Remuneration Report in the 2018-19 Annual Report at [suncorpgroup.com.au](http://suncorpgroup.com.au)
- in section 5.2 of the Remuneration Report in the 2018-19 Annual Report at [suncorpgroup.com.au](http://suncorpgroup.com.au)
  - our Corporate Governance Statement (section 4.4)
  - our Securities Trading Policy can be found at this location: [suncorpgroup.com.au](http://suncorpgroup.com.au)
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