

11 May 2020

The Manager
Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Suncorp (ASX: SUN | ADR: SNMCY) today issued an Exchange Notice to CPS3 Holders for the Resale of its \$193,628,100 CPS3 issued by Suncorp on 8 May 2014 in accordance with the CPS3 Terms. That notice confirms that on 17 June 2020, all CPS3 on issue will be mandatorily purchased by a nominated purchaser appointed by Suncorp for \$100 per CPS3. Payments of \$100 cash per CPS3 (together with the final CPS3 distribution payment¹) will be made to all CPS3 Holders on 17 June 2020.

Once all CPS3 have been resold to the nominated purchaser, CPS3 will be repaid or converted, with Suncorp converting some or all of them into Ordinary Shares in the hands of the nominated purchaser.² Any CPS3 not converted into Ordinary Shares will be Redeemed in the hands of the nominated purchaser. The final amount of Ordinary Shares to be issued will be announced on the ASX once the Conversion is completed.

Definitions

Unless otherwise defined, capitalised words have the meanings given to them in the CPS3 Terms.

Yours faithfully



Darren Solomon
Company Secretary

Authorised for lodgement with the ASX by the Board.

¹ Subject to satisfaction of the distribution payment conditions in the CPS3 terms.

² The issue price of any Ordinary Shares issued on conversion of the CPS3 will be determined in accordance with the CPS3 Terms (as amended) by applying a discount to the volume weighted average price of Ordinary Shares over certain trading days between 11 May 2020 and 24 June 2020. The number of CPS3 converted into Ordinary Shares may be reduced in certain circumstances (or the conversion may not proceed at all). If the number of CPS3 is reduced (or the conversion does not proceed at all), there will be a corresponding increase to the number of CPS3 redeemed.

Suncorp CPS3 Exchange Notice

Suncorp Group Limited (**Suncorp**) gives notice under clause 5.1 (“Optional Exchange by Suncorp”) of the terms of issue of the convertible preference shares issued on 8 May 2014 (**CPS3**) that all CPS3 will be Exchanged on the Optional Exchange Date of 17 June 2020.

The Exchange Method is a Resale in accordance with clause 9 (“Resale mechanics”) of the terms of issue of CPS3 (**CPS3 Terms**).

In accordance with the CPS3 Terms, Suncorp has appointed UBS AG, Australia Branch (ABN 47 088 129 613) (which has a long term counterparty credit rating from one of Standard & Poor’s, Moody’s or Fitch of not less than investment grade and is not a Related Entity of Suncorp) and any Permitted Successor as the “Nominated Purchaser” for the Resale. Accordingly, on the Optional Exchange Date, all CPS3 will be transferred to the Nominated Purchaser at a purchase price per CPS3 equal to the Resale Price of A\$100.

This Exchange Notice is irrevocable, except as provided by the CPS3 Terms.

The Nominated Purchaser has undertaken, for the benefit of each CPS3 Holder, that on the Optional Exchange Date the Nominated Purchaser will acquire each CPS3 from the CPS3 Holder at the Resale Price in accordance with the Deed of Undertaking made on or before the date of this Exchange Notice, a copy of which is attached.

Suncorp has the approvals required from APRA under the CPS3 Terms in respect of (1) the Resale and (2) the subsequent Conversion and/or Redemption (as the case may be) of CPS3 in the hands of the Nominated Purchaser.

In accordance with clause 11.4 (“Power of attorney”) of the CPS3 Terms, each CPS3 Holder has appointed Suncorp as its attorney to, among other things, sign any instrument of transfer necessary to give effect to the Resale.

CPS3 Holders do not need to do anything in response to this notice. If you are not sure about what to do in respect of your CPS3, you should seek professional guidance from a licensed adviser, which takes into account your particular investment objectives and circumstances.

Conditions to completion of Resale

The acquisition of CPS3 by the Nominated Purchaser is subject to and will be performed in accordance with the CPS3 Terms.

Resale may not occur for a number of reasons, including:

- (a) if a Non-Viability Trigger Event occurs;
- (b) if the Nominated Purchaser does not for any reason pay the Resale Price in full on the Resale Date;
- (c) if APRA revokes its approval of the Resale; or
- (d) if CPS3 cannot for any reason be transferred.

If a Resale does not occur, except where a Non-Viability Trigger Event occurs, CPS3 Holders will continue to hold CPS3.

Trading and transfer

The last date for trading in CPS3 is 29 May 2020. No transfer of CPS3 (other than the transfer to the Nominated Purchaser pursuant to this Exchange Notice) will be registered after 2 June 2020.

Payment and completion of Resale

The Dividend in respect of CPS3 scheduled to be paid on 17 June 2020 (**Final Dividend**) will be paid by Suncorp subject to and in accordance with the CPS3 Terms.

Payment of the aggregate Resale Price of all CPS3 will be made by or on behalf of the Nominated Purchaser to the CPS3 Holders in exchange for the transfer of CPS3 to the Nominated Purchaser. Suncorp on behalf of the CPS3 Holders will execute and deliver an instrument of transfer of CPS3 to the Nominated Purchaser.

The payment of the Final Dividend and the Resale Price will be made in accordance with clause 14 ("Payments and other matters") of the CPS3 Terms (as applicable).

Definitions

Unless otherwise defined, capitalised words used in this Exchange Notice have the meanings given to them in the CPS3 Terms.

"Permitted Successor" means an entity (not being a Related Entity of Suncorp) selected by Suncorp with the approval of APRA and which Suncorp has announced on ASX as having succeeded to and assumed the obligations of the person named in this notice as the Nominated Purchaser in connection with the Resale of CPS3 in place of that person.

"CPS3 Holder" means a "Holder" as defined in the CPS3 Terms.

Ends

Attachment – Deed of Undertaking

Deed of Undertaking

relating to the resale of the Suncorp Convertible Preference Shares (ASX code: "SUNPE") (the "**CPS3**") issued by Suncorp Group Limited (ABN 66 145 290 124) in respect of which UBS AG, Australia Branch (ABN 47 088 129 613) was appointed as the Nominated Purchaser (the "**Nominated Purchaser**")

Dated 11 May 2020

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Deed of Undertaking

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Deed of Undertaking

Details

Parties	Nominated Purchaser	
Nominated Purchaser	Name	UBS AG, Australia Branch
	ABN	47 088 129 613
In favour of	The CPS3 Holders	
Date of Deed	11 May 2020	

Deed of Undertaking

General terms

1 Interpretation

1.1 Definitions

All terms and expressions which have defined meanings in the Terms (as defined below) have the same meanings in this Deed except where the context requires otherwise or unless otherwise stated. In addition, the following words have these meanings:

Appointment Agreement means the Nominated Purchaser Appointment Agreement entered into between the Issuer and the Nominated Purchaser on or about the date of this Deed.

CPS3 means “CPS3” as defined in the Terms.

CPS3 Holder means a “Holder” as defined in the Terms.

Funding Amount has the meaning given in the Appointment Agreement.

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

Nominated Account has the meaning given in the Appointment Agreement.

Resale Notice means the “Exchange Notice” in respect of a Resale of CPS3 given on or after the date of this Deed in accordance with clause 5.1 (“Optional Exchange by Suncorp”) of the Terms.

Terms means the terms and conditions of the CPS3 as set out in the prospectus in relation to the CPS dated 8 April 2014, as amended on 11 November 2019.

1.2 Contrary Interpretation

Unless otherwise specified or the contrary intention appears:

- (a) headings (including those in brackets at the beginning of paragraphs) are inserted for convenience and do not affect the interpretation of this Deed;
- (b) the singular includes the plural and vice versa;
- (c) a reference to a statute, ordinance, directive, code or law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them and references to law includes statutes, ordinances, codes, directives or common law and principles of equity having general application;
- (d) a reference to a party to an agreement, deed, authority or other instrument includes a reference to any successor, replacement, assignee, substitute or addition of the party according to that agreement, deed, authority or instrument; and

- (e) a reference to an agreement, deed or other instrument includes a reference to that agreement, deed or instrument as amended, modified, added to or restated from time to time.

1.3 Reference to successor

A reference to the Nominated Purchaser includes any successor appointed as contemplated by the Resale Notice which accedes to this deed on terms that it assumes all obligations (present and future) of the Nominated Purchaser.

2 Undertaking to acquire CPS3

2.1 Undertaking to acquire CPS3

Subject to clause 2.3, the Nominated Purchaser undertakes for the purpose of clause 9 (“Resale mechanics”) of the Terms that all (but not some) of the CPS3 will be acquired in accordance with the Terms by the Nominated Purchaser on the Optional Exchange Date for the Resale Price.

2.2 Payment against delivery

- (a) Subject to paragraphs (b) and (c) below, payment of the Resale Price will be made in accordance with the Resale Notice.
- (b) The Nominated Purchaser’s obligations under paragraph (a) will be satisfied by the crediting of the Funding Amount to the Nominated Account in accordance with the Appointment Agreement.
- (c) The Nominated Purchaser has no liability under this Deed to distribute funds directly to CPS3 Holders, and the Registrar and the Issuer will be solely responsible for the payment of funds to each CPS3 Holder from the Nominated Account (and the Nominated Purchaser will have no liability for any delay or failure by the Registrar or the Issuer to apply the funds from the Nominated Account).

2.3 Condition precedent to obligations

The obligations of the Nominated Purchaser provided for in clause 2 of this Deed are conditional upon the Issuer:

- (a) giving the Resale Notice; and
- (b) providing the Funding Amount to the Nominated Purchaser in immediately available funds in accordance with the Appointment Agreement.

2.4 Termination

The obligations of the Nominated Purchaser terminate if:

- (a) the Resale Notice becomes void under clause 9.6 (“Effect of failure by Nominated Purchaser or Nominated Purchasers to pay”) of the Terms; or
- (b) Resale does not occur for any reason as specified in the Resale Notice.

3 Benefit of Deed

3.1 Deed poll

This Deed takes effect as a deed poll for the benefit of the CPS3 Holders from time to time.

3.2 Assignment

No CPS3 Holder is entitled to assign or transfer all or any of its rights, benefits and obligations under this Deed separate from its CPS3.

4 Governing law, submission to jurisdiction and service of process

4.1 Governing law

This Deed is, except as expressly stated in the Terms, governed by, and shall be construed in accordance with, the laws in force in Queensland, Australia.

4.2 Submission to jurisdiction

Clause 18.2 ("Jurisdiction") of the Terms applies as though set out in full in this Deed and as though each reference in that clause to "Suncorp" were a reference to the "Nominated Purchaser" and each reference to "these Terms" were a reference to "this Deed".

EXECUTED as a deed poll

Deed of Undertaking

Signing page

**SIGNED, SEALED AND
DELIVERED** for and on behalf of
UBS AG, AUSTRALIA BRANCH
by its duly authorised signatories in
the presence of:

Signature of witness

TAPIWA CHIKANYIRO

Name of witness (block letters)

Seal

Signature of authorised signatory

SHANE DOYLE

Name of authorised signatory (block letters)

Signature of authorised signatory

TIMOTHY CHURCH

Name of authorised signatory (block letters)