

1 March 2023

Suncorp Group Cleansing Notice

On 22 February 2023, Suncorp Group Limited (**Suncorp**) (ASX: SUN | ADR: SNMCY) announced it had successfully priced a \$250 million issue of floating rate, unsecured, subordinated notes (**Wholesale Subordinated Notes 4**) in an offering to institutional investors and other wholesale investors at a margin of +265 basis points over the 3-month bank bill swap rate.

Suncorp will today complete the issue of \$250 million Wholesale Subordinated Notes 4.

Attached is a Notice under section 708A(12H)(e) of the Corporations Act 2001 given by Suncorp in relation to the Wholesale Subordinated Notes 4.

Authorised for lodgement with the ASX by the Suncorp Group Chief Financial Officer.

ENDS

For more information contact:

Media

Amy McDonald

+61 403 058 462

amy.mcdonald@suncorp.com.au**Analysts / Investors**

Neil Wesley

+61 498 864 530

neil.wesley@suncorp.com.au

1 March 2023

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

Dear Sir / Madam

Suncorp Group Limited (ASX: SUN) – Issue of floating rate, unsecured, subordinated notes (Wholesale Subordinated Notes) to raise A\$250 million – Cleansing Statement

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

- 1 Suncorp will today issue the Wholesale Subordinated Notes. Offers of the Wholesale Subordinated Notes do not require disclosure to investors under Part 6D.2 of the Act.
- 2 The terms and conditions of the Wholesale Subordinated Notes are described on pages 62 to 100 of the Schedule to this notice.
- 3 The Wholesale Subordinated Notes are being issued as part of Suncorp Group's ongoing funding and capital management strategy. Suncorp expects to use the proceeds of issue of the Notes to fund Tier 2 Capital (as described in the Prudential Standards issued by the Australian Prudential Regulation Authority (**APRA**)) of one or more Regulated Entities within the Suncorp Group and for general funding purposes.
- 4 The Wholesale Subordinated Notes may Convert into Ordinary Shares of Suncorp on the occurrence of a Non-Viability Trigger Event or if a Holder exercises its option to require Conversion on the Holder Conversion Date. The number of Ordinary Shares issued on Conversion is variable, but is limited to the Maximum Conversion Number. The Maximum Conversion Number on account of a Non-Viability Trigger Event is 3,965.1071 Ordinary Shares per Wholesale Subordinated Note, based on the Issue Date VWAP of A\$12.61.¹
- 5 In order to enable Ordinary Shares issued on Conversion to be sold without disclosure under Chapter 6D.2 of the Act, Suncorp Group has elected to give this notice (including the Schedule) under section 708A(12H)(e) of the Act as notionally inserted by the ASIC Instrument. The Schedule forms part of this notice. The Information Memorandum included as the Schedule has been modified from the original Information Memorandum dated 22 February 2023 to delete certain information relating to the Wholesale Subordinated Notes in order to comply with Australian legal requirements.
- 6 Suncorp confirms that:
 - (a) Wholesale Subordinated Notes will be issued without disclosure to investors under Part 6D.2 of the Act;
 - (b) the information (including the Schedule) in this notice remains current as at the date of this notice; and
 - (c) this notice (including the Schedule) complies with section 708A of the Act, as notionally modified by the ASIC Instrument.

¹ In the event that a Holder exercises its option to require Conversion on the Holder Conversion Date, the Maximum Conversion Number could be larger than 3,965.1071 Ordinary Shares per Wholesale Subordinated Note, as in such circumstances the Nominal Amount used to determine the Maximum Conversion Number includes the Face Value of the Note to be Converted, together with any Additional Amounts, any Arrears of Interest and any Additional Interest Amounts in respect of that Note. The Nominal Amount used to determine the Maximum Conversion Number in respect of Conversion on account of a Non-Viability Trigger Event only includes the Face Value of that Note (being A\$10,000).

7 **Effect of the Wholesale Subordinated Notes offer on Suncorp**

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

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

If Suncorp issues Ordinary Shares on Conversion of the Wholesale Subordinated Notes, the impact of Conversion on Suncorp would be to increase its shareholders' equity. The number of Ordinary Shares issued on Conversion is limited to a Maximum Conversion Number, as described in section 4 of this notice and the Schedule.

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

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

Yours sincerely



Darren Solomon
Company Secretary

Authorised for lodgement with the ASX by the Suncorp Group Chief Financial Officer.

Disclaimer

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities (including Wholesale Subordinated Notes 4) in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933 (the "U.S. Securities Act")), or any other jurisdiction in which such an offer would be illegal.

The securities referred to in this announcement have not been, and will not be, registered under the U.S. Securities Act, as amended, or the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities referred to in this announcement may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, unless the securities have been registered under the U.S. Securities Act (which Suncorp is under no obligation to do) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

Pursuant to Section 309B of the Securities and Futures Act 2001 of Singapore ("SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore ("CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Wholesale Subordinated Notes 4 are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore ("MAS") Notice SFA 04-N12: Notice on Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations of Investment Products).

Schedule to Cleansing Notice Dated 1 March 2023

IMPORTANT NOTICE

NOT FOR RELEASE OR DISTRIBUTION INTO THE UNITED STATES OR TO ANY U.S. PERSON

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

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER BUY ANY SECURITIES IN THE UNITED STATES OR TO ANY PERSON THAT IS, OR IS ACTING FOR THE ACCOUNT OR BENEFIT OF, A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") ("REGULATION S")) ("U.S.PERSON") OR TO ANY PERSON TO WHOM, OR IN ANY OTHER JURISDICTION IN WHICH, IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE SECURITIES DESCRIBED HEREIN MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO ANY PERSON THAT IS, OR IS ACTING FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON, UNLESS THEY HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OR ARE OFFERED OR SOLD PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE SECURITIES REFERRED TO IN THIS ELECTRONIC TRANSMISSION MAY ONLY BE OFFERED AND SOLD TO CERTAIN INVESTORS THAT ARE NOT IN THE UNITED STATES AND ARE NOT, AND ARE NOT ACTING FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON IN "OFFSHORE TRANSACTIONS" (AS DEFINED IN RULE 902(H) OF THE SECURITIES ACT) IN RELIANCE ON REGULATION S AND IN COMPLIANCE WITH THE LAWS OF THE RELEVANT JURISDICTIONS APPLICABLE TO SUCH OFFERS AND SALES OF THE SECURITIES. THE OFFERING TO WHICH THIS ELECTRONIC TRANSMISSION RELATES IS NOT, AND DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN THE UNITED STATES OR TO ANY PERSON THAT IS, OR IS ACTING FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON, OR TO ANY PERSON TO WHOM, OR IN ANY OTHER JURISDICTION IN WHICH, IT WOULD BE UNLAWFUL TO DO SO. THE FOLLOWING INFORMATION MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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

Confirmation of your Representation: In order to be eligible to view the Information Memorandum or make an investment decision with respect to the securities described herein, investors must not be in the United States and must not be a person that is, or is acting for the account or benefit of, a U.S. Person (within the meaning of Regulation S). The Information Memorandum is being sent at your request and by your acceptance of the e-mail attaching the Information Memorandum and accessing the Information Memorandum, you shall represent to Suncorp Group Limited (ABN 66 145 290 124) (the "Issuer"), Barrenjoey Markets Pty Limited (ABN 66 636 976 059), Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832), Westpac Banking Corporation (ABN 33 007 457 141) and UBS AG, Australia Branch (ABN 47 088 129 613) (together, the "Joint Lead Managers") that you are not in the United States or a person that is, or is acting for the account or benefit of, a U.S. Person, your stated electronic mail address to which this e-mail has been delivered is not located in the U.S. and that you consent to delivery of such Information Memorandum by electronic transmission.

The securities described herein are complex financial instruments and are not a suitable or appropriate investment for all investors and should not be promoted, offered, distributed and/or sold to retail investors. By your acceptance of the e-mail attaching the Information Memorandum and accessing the Information Memorandum you shall represent, warrant, agree with and undertake to the Issuer and the Joint Lead Managers that you have complied and will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the European Economic Area ("EEA")) relating to the promotion, offering, distribution and/or sale of the securities described herein (including without limitation the European Union's Directive 2014/65/EU (as amended) (the "EU Prospectus Regulation") as implemented in each Member State of the EEA) and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the securities described herein by investors in any relevant jurisdiction. If

you are acting as agent on behalf of a disclosed or undisclosed client the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both you and your underlying client.

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The securities described herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs Regulation / Prohibition of sales to UK retail investors – The securities described herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 of the UK (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Notification under section 309B of the Securities and Futures Act 2001 of Singapore – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (“**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (“**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A(1) of the SFA), that the securities described herein are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (“**MAS**”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

No retail product distribution conduct. This Information Memorandum and the securities described herein are not for distribution to any person in Australia who is a “retail client” for the purposes of section 761G of the Corporations Act 2001 (Cth) (“**Corporations Act**”). No target market determination has been or will be made for the purposes of Part 7.8A of the Corporations Act.

You are reminded that the Information Memorandum has been delivered to you on the basis that you are a person into whose possession the Information Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Information Memorandum to any other person.

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

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



Information Memorandum

for the issue of A\$250,000,000 Suncorp Wholesale Subordinated Notes 4 due 2038

Issuer

Suncorp Group Limited

(ABN 66 145 290 124)

Arranger

Barrenjoey Markets Pty Limited

(ABN 66 636 976 059)

Joint Lead Managers

Barrenjoey Markets Pty Limited

(ABN 66 636 976 059)

Citigroup Global Markets Australia Pty Limited

(ABN 64 003 114 832)

UBS AG, Australia Branch

(ABN 47 088 129 613)

Westpac Banking Corporation

(ABN 33 007 457 141)

22 February 2023

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Important Notice

Introduction

This Information Memorandum relates to the offer by the Issuer of A\$250,000,000 subordinated, unsecured notes due 2038 ("**Notes**") described in this Information Memorandum.

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

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

The Notes will be constituted by the Suncorp Wholesale Subordinated Notes 4 Deed Poll made by the Issuer dated on or about 22 February 2023 ("**Deed Poll**") as supplemented by a duly completed pricing supplement ("**Pricing Supplement**").

Capitalised expressions which are not otherwise defined in this Information Memorandum have the meanings given in clause 18.2 of the terms of the Notes as supplemented, amended or replaced by the relevant Pricing Supplement ("**Terms**"). The Terms are set out in the section entitled "Terms of the Notes" below. The form of Pricing Supplement is set out in the section entitled "Form of Pricing Supplement" below.

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

The Notes are not:

- deposits with, or deposit liabilities of, Suncorp-Metway Limited (ABN 66 010 831 722) ("**SML**") or any other member of the Suncorp Group for the purposes of the *Banking Act 1959* (Cth) ("**Banking Act**");
- protected accounts for the purposes of the depositor protection provisions of the Banking Act or the financial claims scheme established under the Banking Act;
- policies of any member of the Suncorp Group for purposes of the *Insurance Act 1973* (Cth) ("**Insurance Act**") or protected policies for the purposes of the policyholder protection provisions of the Insurance Act;
- policies with any member of the Suncorp Group for the purposes of the *Life Insurance Act 1995* (Cth) ("**Life Insurance Act**");
- guaranteed or insured by the Australian government or under any compensation scheme of the Australian government, or by any other government, under any other compensation scheme or by any government agency or any other party; or
- secured over any of the Issuer's, or any member of the Suncorp Group's, assets.

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

The Issuer's responsibility

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

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

Documents incorporated by reference

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

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

- all amendments and supplements to this Information Memorandum prepared and issued by the Issuer from time to time (including each Pricing Supplement);
- the Suncorp Group 2022-23 consolidated interim financial report (including the Directors' Report and Financial Statements), which includes the most recent reviewed, consolidated interim financial report of the Issuer and its subsidiaries for the half year ended 31 December 2022 ("**1H23 Issuer Half Year Report**");
- the Suncorp Group 2021-22 Annual Report (including the Directors' Report and Financial Statements), which includes the audited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 30 June 2022 ("**FY22 Issuer Annual Report**");
- the Suncorp Group 2020-21 Annual Report (including the Directors' Report and Financial Statements), which includes the audited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 30 June 2021 ("**FY21 Issuer Annual Report**");
- the Suncorp Group HY23 Investor Pack for the half year ended 31 December 2022 ("**1H23 Issuer Investor Pack**");
- the Suncorp Group FY22 Investor Pack for the financial year ended 30 June 2022 ("**FY22 Issuer Investor Pack**");
- the Suncorp Group HY23 Results Presentation ("**1H23 Issuer Results Presentation**");
- the Suncorp Group FY22 Results Presentation ("**FY22 Issuer Results Presentation**");
- the constitution of the Issuer as amended from time to time ("**Constitution**");
- the Deed Poll; and
- all documents issued by the Issuer and expressly stated to be incorporated in this Information Memorandum by reference.

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

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

Copies of the 1H23 Issuer Half Year Report, FY22 Issuer Annual Report, FY21 Issuer Annual Report, 1H23 Issuer Investor Pack, FY22 Issuer Investor Pack, 1H23 Issuer Results Presentation, FY22 Issuer Results Presentation and Constitution are available on the Suncorp Group's website at www.suncorpgroup.com.au.

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

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

Recipients must make their own independent investigations

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

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

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

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

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

No advice is given in respect of the legal, regulatory or taxation treatment of investors or purchasers or any other matter in connection with an investment in any Notes or rights in respect of them and each investor is advised to consult its own professional adviser.

No independent verification and role of Joint Lead Managers

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

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

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

Furthermore, neither the Arranger nor any of the Joint Lead Managers nor their related bodies corporate, and/or their directors, officers, employees or clients act as the adviser of or owe any fiduciary or other duties to any recipient of this Information Memorandum in connection with the Notes and/or any related transaction (including, without limitation, in respect of the preparation and due execution of the Deed Poll, any Pricing Supplement or any other documents relating to the Notes or any related transaction, the power, capacity or authorisation of any other party to enter into and execute such documents, or the enforceability of such documents). No reliance may be placed on the Arranger or any of the Joint Lead Managers for financial, legal, taxation, accounting or investment advice or recommendations of any sort.

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

The Arranger and the Joint Lead Managers accordingly disclaim all and any duty or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this Information Memorandum, including any information incorporated by reference or any further information supplied by the Issuer in connection with the Notes.

No offer

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Arranger or the Joint Lead Managers to any person to subscribe for, purchase or otherwise deal in any Notes. This Information Memorandum is not intended to be used by any person for the purpose of offers or invitations to subscribe for, purchase or otherwise deal in any Notes.

Selling restrictions and no disclosure

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

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

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

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

This Information Memorandum does not constitute an offer of Notes in any jurisdiction in which it would be unlawful. This Information Memorandum and any other offering materials may not be distributed to any person, and the Notes may not be offered or sold, in any jurisdiction except to the extent contemplated in the section entitled "Subscription and Sale". In particular, no action has been taken by the Issuer, the Arranger, the Joint Lead Managers or any other person which would permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. None of the Issuer, the Arranger or the Joint Lead Managers, nor their respective related bodies corporate, represents that this Information Memorandum or any such document may be lawfully distributed, or that any Notes may be offered, in compliance with the laws of any applicable jurisdiction or other requirements in any such jurisdiction, or under an exemption available in that jurisdiction, or assume any responsibility for facilitating any such distribution or offering.

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

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

No registration in the United States

The Notes and the Ordinary Shares that may be issued upon Conversion of the Notes have not been, and will not be, registered under the U.S. Securities Act of 1933 ("**Securities Act**") or with any securities regulatory authority of any State or other jurisdiction of the United States. Neither the Notes nor the Ordinary Shares that may be issued upon Conversion of the Notes will be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S) ("**U.S. Person**").

Pursuant to Section 309B of the Securities and Futures Act 2001 of Singapore ("SFA") Notification

Pursuant to Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore ("**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore ("**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

No retail product distribution conduct

This Information Memorandum and the Notes are not for distribution to any person in Australia who is a "retail client" for the purposes of section 761G of the Corporations Act. No target market determination has been or will be made for the purposes of Part 7.8A of the Corporations Act.

No authorisation

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

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

Distribution arrangements and conflicts of interest

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

The Issuer, the Arranger and the Joint Lead Managers, and their respective related bodies corporate, directors and employees are involved in a wide range of financial services and businesses including securities trading and brokerage activities and providing commercial and investment banking, investment management, corporate finance, credit and derivative, trading and research products and services, out of which conflicting interests or duties may arise. In the ordinary course of these activities, each of them may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealings in the Notes.

Without limiting the foregoing, each of the Joint Lead Managers and their respective related bodies corporate, directors and employees (each a "Relevant Entity") discloses that it and other Relevant Entities associated with it may from time to time:

- be a Holder or have a pecuniary or other interest in the Notes;
- receive fees, brokerage and commissions or other benefits, and may act as principal, in any dealings in the Notes; and
- be involved in a broad range of transactions including, without limitation, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and corporate advisory and research in various capacities in respect of the Notes, the Issuer or any other member of the Suncorp Group, both on its own account and for the account of other persons.

Prospective investors should be aware that:

- each Relevant Entity in the course of its business (including in respect of interests described above) may act independently of any other Relevant Entity and any Holder;
- to the maximum extent permitted by applicable law, the duties of each Relevant Entity in respect of the Notes are limited to the relevant contractual obligations set out in the Subscription Agreement and, in particular, no advisory or fiduciary duty is owed by any Relevant Entity to any person; and
- each Relevant Entity may have various potential and actual conflicts of interest arising in the ordinary course of its business, including in respect of the interests described above. For example, a Relevant Entity's dealings with respect to a Note or a member of the Suncorp Group, or the exercise of a Relevant Entity's rights under the Subscription Agreement may affect the value of a Note. These interests may conflict with the interests of a Holder and a Holder may suffer loss as a result. To the maximum extent permitted by applicable law, a Relevant Entity is not restricted from entering into, performing or enforcing its rights in respect of the Subscription Agreement or the interests described above and may otherwise continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of a Holder, and the Relevant Entities may in so doing act without notice to, and without regard to, the interests of any such person.

References to credit ratings

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

Credit ratings are for distribution only to a person: (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act; and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

Currencies

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

Currency of information

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

The Issuer has no obligation to update this Information Memorandum.

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

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

Financial information and forward-looking statements

All financial amounts contained in this Information Memorandum are rounded to one decimal place unless otherwise stated. Any discrepancies between totals and sums of components in charts contained in this Information Memorandum are due to rounding. In the context of ASIC’s Regulatory Guide 230, this Information Memorandum contains (by incorporation) information that is ‘non-IFRS financial information’, such as the General Insurance Underlying Insurance Trading Result and Life underlying profit after tax. The calculation of these metrics is outlined in the relevant incorporated document and they are shown as they are used internally to determine operating performance within the various functions.

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

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

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

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

Summary of the Notes

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to the Notes, in conjunction with the Deed Poll (as defined below) and the Terms. Capitalised expressions in this section which are not otherwise defined have the meanings given in clause 18.2 of the Terms.

Issuer:	Suncorp Group Limited (ABN 66 145 290 124)
Arranger:	Barrenjoey Markets Pty Limited (ABN 66 636 976 059)
Joint Lead Managers:	Barrenjoey Markets Pty Limited (ABN 66 636 976 059) Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) UBS AG, Australia Branch (ABN 47 088 129 613) Westpac Banking Corporation (ABN 33 007 457 141)
Registrar and Calculation Agent:	Austraclear Services Limited (ABN 28 003 284 419) or any other person appointed by the Issuer to maintain the Register and perform any other duties as specified in the Registry Agreement.
Paying Agent:	Suncorp-Metway Limited (ABN 66 010 831 722) <i>SML acts solely as Paying Agent pursuant to its agreement with the Issuer and has no obligation to Holders. The Notes are not deposits with, deposit liabilities of, or guaranteed by, SML.</i> <i>Each of the Calculation Agent and Paying Agent act as agent solely for the Issuer and may be replaced by the Issuer.</i>
Types of Notes:	The Terms contain provisions for the issuance of one or more Series of Notes (including Floating Rate Notes, Fixed Rate Notes and Fixed-to-Floating Rate Notes). This Information Memorandum relates to the issue by the Issuer of Notes in the form of Floating Rate Notes only. Unless otherwise specified, references in this Information Memorandum to "Notes" are to Floating Rate Notes.
Offer Size	A\$250 million.
Issue Date:	Expected to be 1 March 2023.
Denomination:	Subject to any applicable legal or regulatory requirements, Notes will be issued in denominations of A\$10,000.
Form of Notes:	Notes will take the form of entries in a Register. No certificates will be issued unless the Issuer determines that certificates should be available or are required by any applicable law.
Deed Poll:	The Notes will be constituted under, and Holders of the Notes will have the benefit of, the Deed Poll as supplemented by the relevant Pricing Supplement.
Title:	Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of the Note subject to correction for fraud or error.
Maturity Date	1 December 2038, or if that day is not a Business Day, the following Business Day.

**Status and
Ranking of the
Notes:**

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

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

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


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

If Notes are required to be Converted as a result of a Holder Conversion Notice, the Holder will become a holder of the Conversion Number of Ordinary Shares, and the Holder will rank for payment on a winding-up of the Issuer in respect of any amounts due to it as a holder of such Ordinary Shares equally with other holders of Ordinary Shares.

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

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

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

	Type	Illustrative examples
<i>Higher ranking</i> 	Preferred and secured debt	Liabilities preferred by law including employee entitlements and secured creditors
	Unsubordinated and unsecured debt	Bonds and notes, trade and general creditors
	Subordinated and unsecured debt	The Notes, the Suncorp Wholesale Subordinated Notes, any other subordinated and unsecured debt obligations, and any other securities expressed to rank equally with the Notes
<i>Lower ranking</i>	Perpetual and subordinated instruments	Capital Notes 2, Capital Notes 3 and Capital Notes 4
	Ordinary shares	Ordinary Shares

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

- (a) deposits with, or deposit liabilities of, SML or any other member of the Suncorp Group for the purposes of the Banking Act;
- (b) protected accounts for the purposes of the depositor protection provisions of the Banking Act or the financial claims scheme established under the Banking Act;
- (c) policies of any member of the Suncorp Group for the purposes of the Insurance Act nor protected policies for the purposes of the policyholder protection provisions of the Insurance Act;
- (d) policies with any member of the Suncorp Group for the purposes of the Life Insurance Act; nor
- (e) guaranteed or insured by the Australian government or under any compensation scheme of the Australian government, or by any other government, under any other compensation scheme or by any government agency or any other party.

Interest Payment Dates

The Interest Payment Dates for the Notes are:

- (a) each 1 March, 1 June, 1 September and 1 December commencing on 1 June 2023; and
- (b) any Resale Date.

The above Interest Payment Dates are adjusted in accordance with the Following Business Day Convention.

Interest Rate

The Interest Rate applicable to a Note is the rate (expressed as a percentage per annum) calculated according to the following formula:

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

where:

Bank Bill Rate means, for the Interest Period, the rate designated “BBSW” in respect of prime bank eligible securities having a tenor of 3 months, which ASX Benchmarks Pty Limited (or its successor as administrator of that rate)

publishes through information vendors on the first Business Day of the Interest Period (or, if that rate is not published or is affected by obvious error, as determined by the Issuer having regard to comparable indices).

However, if the Issuer determines that a Rate Disruption Event has occurred, then, subject to APRA's prior written approval, the Issuer shall use as the Bank Bill Rate such Replacement Rate as it may determine and shall make such adjustments to the Terms as it determines are reasonably necessary to calculate distributions in accordance with such Replacement Rate.

In making these determinations, the Issuer:

- (a) shall act in good faith and in a commercially reasonable manner;
- (b) may consult with such sources of market practice as it considers appropriate; and
- (c) may otherwise make such determination in its discretion.

Holders should note that APRA's approval may not be given for any Replacement Rate it considers to have the effect of increasing the rate of interest contrary to applicable Prudential Standards.

Broadly, a **Rate Disruption Event** occurs when, in the Issuer's opinion, BBSW:

- (a) has been discontinued or otherwise ceased to be calculated or administered; or
- (b) is no longer generally accepted in the Australian market as a reference rate appropriate to floating rate debt securities of a tenor and interest period comparable to that of the Notes.

Broadly, **Replacement Rate** means a rate that is generally accepted in the Australian market as the successor to the BBSW, or if the Issuer is not able, after making reasonable efforts, to ascertain such rate, or there is no such rate:

- (a) a reference rate that is, in the Issuer's opinion, appropriate to floating rate debt securities of a tenor and interest period most comparable to that of the Notes; or
- (b) such other rate as the Issuer determines having regard to available comparable indices; and

Margin means 2.65% per annum.

Interest payments: The Interest Payment Dates applicable to a Note are specified above. Payment of Interest is subject to optional deferral of Interest and the Solvency Condition (see below).

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

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

The Interest Rate applicable to a Note is specified above.

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

Optional deferral of Interest: The Issuer may, on any Optional Interest Payment Date, in its absolute discretion defer the payment of the Interest on the Notes which would otherwise be payable on such date.

An Optional Interest Payment Date is an Interest Payment Date where no interest payments, dividends or other distributions have been made on any Junior Ranking Instruments or Relevant Term Subordinated Instruments (other than a Relevant Term Subordinated Instrument where the terms of that instrument do not enable the Issuer to defer, pass on or eliminate the

relevant payment on such Relevant Term Subordinated Instrument, which includes the Suncorp Wholesale Subordinated Notes 1 and other such instruments on equivalent terms) during the Financial Year in which such Interest Payment Date falls.

Any Interest in respect of a Note not paid on an Interest Payment Date by virtue of the optional interest deferral feature described above or otherwise and which remains unpaid constitutes "Arrears of Interest".

Any Arrears of Interest (together with any corresponding Additional Interest Amounts):

- (a) may be paid in whole or in part at any time upon the expiry of not less than 14 days' notice to such effect given by the Issuer to the Holders (**an Arrears of Interest Payment Notice**); and
- (b) subject to the Solvency Condition being satisfied, automatically becomes immediately due and payable in whole upon the earliest of the following dates:
 - (i) the date on which any dividend or interest payment is paid or made on any Junior Ranking Instruments or Relevant Term Subordinated Instruments issued by the Issuer (other than any such payment on a Relevant Term Subordinated Instrument where the terms of that instrument do not enable the Issuer to defer, pass on or eliminate the relevant payment on such Relevant Term Subordinated Instrument, which includes the Suncorp Wholesale Subordinated Notes 1 and other such instruments on equivalent terms);
 - (ii) the date on which the Issuer voluntarily redeems, purchases or acquires, or commences and does not abandon any public offer to voluntarily redeem, purchase or acquire, any Relevant Term Subordinated Instruments or Junior Ranking Instruments;
 - (iii) the date on which a Winding-up Default occurs; or
 - (iv) the date fixed for any Redemption or Resale of the Notes or the date fixed for any purchase of the Notes by or on behalf of the Issuer or any member of the Suncorp Group pursuant to the Terms.

Interest will accrue on each amount of Arrears of Interest at the Interest Rate from time to time applicable to the Notes.

A failure to make any payment of Interest which for the time being is not made on the Notes by virtue of the Interest deferral does not constitute a default on the part of the Issuer for any purpose and does not give any Holder the right to accelerate repayment of the Notes.

**Solvency
Condition:**

When the Issuer is not in a winding-up:

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

Solvent then, subject to clause 3.6 of the Terms, Holders have no claim or entitlement in respect of such non-payment and such non-payment does not constitute an Event of Default.

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

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

Redemption of Notes on Maturity Date:

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

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

Early Redemption of Notes:

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

- (a) all or some of the Notes of a Series on a Scheduled Optional Redemption or Resale Date; and
- (b) if a Tax Event or Regulatory Event occurs in respect of a Series, all (but not some only) Notes of that Series at any time,

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

Scheduled Optional Redemption or Resale Date means 1 December 2028 (**First Scheduled Optional Redemption or Resale Date**), 1 March 2031 (**Second Scheduled Optional Redemption or Resale Date**) or any Interest Payment Date after the Second Scheduled Optional Redemption or Resale Date.

The Issuer must give at least 15 Business Days (and no more than 70 Business Days) notice (**Early Redemption Notice**) to the Registrar and the Holders of any early Redemption of Notes of a Series in accordance with the Terms. The Early Redemption Notice must be given in accordance with the Terms and the Deed Poll and specify the Early Redemption Date, which must be a Business Day.

The Issuer may only Redeem Notes of a Series early if either:

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

The Issuer may only Redeem Notes of a Series early if APRA has given its prior written approval of the Redemption.

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

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

Resale of Notes: Subject to certain conditions and requirements set out below, the Issuer may Resell:

- (a) all or some of the Notes of a Series on any Scheduled Optional Redemption or Resale Date; and
- (b) if a Tax Event or Regulatory Event occurs in respect of a Series, all (but not some only) Notes of that Series at any time.

The Issuer must give at least 15 Business Days (and no more than 70 Business Days) notice (**Resale Notice**) to the Registrar and the relevant Holders of any Resale of Notes of a Series in accordance with the Terms. The Resale Notice must be given in accordance with the Terms and the Deed Poll and specify the Resale Date, which must be a Business Day.

The Issuer may only Resell Notes if APRA has given its prior written approval of the Resale.

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

A Note will not be Resold if on or before the Resale Date that Note has been Converted or Written-Off on account of a Non-Viability Trigger Event or Converted as a result of a Holder Conversion Notice.

If the Issuer elects to Resell Notes of a Series and the conditions to that Resale are met:

- (a) The Issuer must appoint one or more Nominated Purchasers for the Resale on such terms as may be agreed between the Issuer and the Nominated Purchasers (including, without limitation, as to the conditions of any Resale and the procedures for settlement of such Resale). If the Issuer appoints more than one Nominated Purchaser in respect of a Resale, all or any of the Notes of the Series held by a Holder which are being Resold may be purchased by any one or any combination of the Nominated Purchasers, as determined by the Issuer, for the Resale Price. The obligation of a Nominated Purchaser to pay the Resale Price on the Resale Date may be subject to such conditions as the Issuer may reasonably determine.
- (b) The Issuer may not appoint a person as a Nominated Purchaser unless that person:
 - (i) has undertaken on such terms and subject to such conditions as the Issuer reasonably determines for the benefit of each Holder to acquire each Note the subject of the Resale Notice from the relevant Holder for the Resale Price on the Resale Date; and
 - (ii) is not a Related Entity of the Issuer.
- (c) Each Holder on the Resale Date is taken irrevocably to offer to sell each Note held by it which is the subject of a Resale Notice to the Nominated Purchaser or Nominated Purchasers on the Resale Date for the Resale Price.
- (d) On the Resale Date, subject to (i) payment by the Nominated Purchaser of the Resale Price for such Note to the relevant Holder and (ii) payment by the Issuer to the relevant Holder of all Interest, Arrears of Interest and Additional Interest Amounts accrued to (but excluding) the Resale Date, all right, title and interest in each such Note (excluding the right to any Interest payable on that date) will

be transferred to the Nominated Purchaser free from encumbrance and the Issuer and the Nominated Purchaser may thereafter redeem or otherwise deal with the Notes so transferred on the terms and at the times as agreed between them.

- (e) If a Nominated Purchaser does not pay the Resale Price in respect of a Note the subject of a Resale Notice to the Holder of that Note on the Resale Date (a **Defaulting Nominated Purchaser**) (whether as a result of a condition to purchase not being satisfied or otherwise):
- (i) the Resale Notice as it relates to the Defaulting Nominated Purchaser and the relevant Note will be void;
 - (ii) such Note will not be transferred to the Defaulting Nominated Purchaser on the Resale Date; and
 - (iii) the relevant Holder will continue to hold the relevant Note until such Note is otherwise Redeemed, Converted or Resold in accordance with the Terms.

**Tax Event and
Regulatory Event:**

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

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

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

- (a) the Directors receive an opinion that, as a result of a change in Australian law or regulation or any requirement of APRA on or after the Issue Date (which the Issuer did not expect on the Issue Date), additional requirements (which are more than *de minimis*) would be imposed on the Issuer in connection with the Notes of the relevant Series, which the Directors determine, in their absolute discretion, to be unacceptable; or
- (b) following a notification from, or announcement or determination by, APRA, the Directors determine in their absolute discretion that the Issuer is not or will not be entitled to treat the Notes of the relevant Series in full as an instrument the proceeds of which APRA permits the Suncorp Group to use to fund Tier 2 Capital of a Regulated Entity within the Suncorp Group, except where the reason the Issuer is not entitled to so treat the Notes is because of a prudential limit or other restriction which is in effect on the Issue Date or which on the Issue Date is expected by the Issuer to come into effect.

**Holders have no
right to request
Redemption:**

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

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

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

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

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

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

If a Non-Viability Trigger Event occurs under paragraph (b) above, all Notes will be required to be Converted. If a Non-Viability Trigger Event occurs under paragraph (a) above, the Issuer must immediately determine the amount of Notes that will be Converted and the amount of other Relevant Subordinated Instruments which will be converted or Written-Off as is sufficient to satisfy APRA that the Issuer is viable without further conversion or write-off and the identity of the Holders at the time that the Conversion is to take effect on that date. Relevant Tier 1 Capital Instruments (if any) would be Converted ahead of the Notes and other Relevant Term Subordinated Instruments. The relevant amount of Notes must be Converted on the Trigger Event Date (being the date the Non-Viability Trigger Event occurs).

On Conversion, Holders will receive the Conversion Number of Ordinary Shares for each Note held by the Holder which is required to be Converted. The Conversion Number of Ordinary Shares may be worth significantly less than the Face Value of Notes and a Holder may suffer a loss as a consequence of Conversion.

Write-Off if Conversion following a Non-Viability Trigger Event does not occur when required:

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

Written-Off (as defined in the Terms) means that the Holder's rights (including to payment of Interest (including, without limitation, any Arrears of Interest and any Additional Interest) and payment of Face Value and to be issued with the Conversion Number of Ordinary Shares) in relation to the Notes are immediately and irrevocably written-off and terminated.

Conversion to Ordinary Shares at the option of Holders:

A Note may also be Converted if a Holder gives a written notice (a **Holder Conversion Notice**) to the Issuer in advance of 1 December 2030 (the **Holder Conversion Date**), exercising its option to Convert the Note. If a Holder exercises its option to require Conversion, all of its Notes must be Converted on the Holder Conversion Date.

In order to elect to Convert its Notes, the Holder must deliver a Holder Conversion Notice to the Issuer no earlier than 30 Business Days and no later than 21 Business Days prior to the Holder Conversion Date. The Holder Conversion Notice must contain certain information, including the Holder's security account details in CHESS. Once given, a Holder Conversion Notice will be irrevocable.

If Conversion in respect of a Note does not occur on a Holder Conversion Date, the Note will remain on issue and interest and other amounts will continue to accrue until the Ordinary Shares are issued to the Holder (or the Note is redeemed or purchased in accordance with the Terms or Converted or Written-Off following a Non-Viability Trigger Event). The remedy of a Holder in respect of the Issuer's failure to issue or deliver Ordinary Shares on the Holder Conversion Date is limited to seeking an order for specific performance of the Issuer's obligations to issue or deliver Ordinary Shares in accordance with the Terms.

Conversion mechanics:

On Conversion, Holders will receive the Conversion Number of Ordinary Shares for each Note held by the Holder which is required Converted. The Conversion Number of Ordinary Shares may be worth significantly less than the Face Value of Notes and a Holder may suffer a loss as a consequence of Conversion.

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

$$\text{Conversion Number} = \frac{\text{Nominal Amount}}{99\% \times \text{VWAP}}$$

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

where:

Nominal Amount means, in respect of a Note:

- (a) in respect of Conversion of that Note on account of a Non-Viability Trigger Event, the Face Value of that Note; and
- (b) in respect of Conversion of that Note on account of a Holder Conversion Notice, the Face Value of the Note to be Converted, together with any Additional Amounts, any Arrears of Interest and any Additional Interest Amounts in respect of that Note.

VWAP (expressed in dollars and cents) means broadly the volume weighted average price of Ordinary Shares during the period of five Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Trigger Event Date; and

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

$$\text{Maximum Conversion Number} = \frac{\text{Nominal Amount}}{\text{Relevant Fraction} \times \text{Issue Date VWAP}}$$

where:

Relevant Fraction means:

- (a) in respect of a Conversion on account of a Non-Viability Trigger Event, 0.2;
- (b) in respect of a Conversion on account of a Holder Conversion Notice, 0.2.

Issue Date VWAP means, for a Series of Notes, the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the first date on which the Notes of the Series were issued, as adjusted in accordance with the Terms.

In the case of a Conversion on account of a Non-Viability Trigger Event, from the Trigger Event Date, the Issuer shall treat the Holder in respect of the

Notes as the holder of the Conversion Number of Ordinary Shares and will take all such steps, including updating any of its registers, required to record the Conversion.

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

- (a) subject to the Solvency Condition, the Issuer fails to pay:
 - (i) any amount of principal in respect of the Notes of that Series within 10 days of the due date for payment; or
 - (ii) any amount of Interest or other amount in respect of the Notes of that Series within 30 days of the due date for payment,

(a **Payment Default**); or
- (b) an:
 - (i) order is made by a court (other than an order successfully appealed or permanently stayed within 60 days); or
 - (ii) effective resolution is passed,

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

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

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

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

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

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

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

Issue of Ordinary Shares to a Nominee:

If Notes are required to be Converted and:

- (a) in the case of a Conversion on account of a Non-Viability Trigger Event only, the Holder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of Conversion, which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Trigger Event Date;

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

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

In the case of a Conversion on account of a Non-Viability Trigger Event only, if the Conversion of Notes to which this applies does not occur within five Business Days of the Trigger Event Date, then Holders' rights will be immediately and irrevocably Written-Off in accordance with the Terms.

The Issuer has no liability to a Holder for the acts of any Nominee appointed to sell the Ordinary Shares in accordance with the above and has no, nor owes any, duties in connection with any such sale and has no responsibility for any costs, losses, liabilities, expenses, demands or claims which arise as a result of such sale.

Regulatory treatment of Notes:

APRA has confirmed that proceeds of the Notes may be used to fund Tier 2 Capital of one or more Regulated Entities within the Suncorp Group.

No set-off in relation to Notes:

A Holder:

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

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

Substitution of Approved Acquirer:

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

- (a) each Note that is being Converted in whole will be automatically transferred by each Holder free from encumbrance to the Approved Acquirer on the Trigger Event Date;

- (b) each Holder of the Notes being Converted (or a Nominee, if applicable) will be issued a number of Approved Acquirer Ordinary Shares equal to the Conversion Number and the Conversion mechanics that would have otherwise been applicable to the determination of the number of Ordinary Shares shall apply (with any necessary changes) to the determination of the number of such Approved Acquirer Ordinary Shares; and
- (c) as between the Issuer and the Approved Acquirer, each Note held by the Approved Acquirer as a result of the transfer will be automatically Converted into a number of Ordinary Shares the aggregate market value of which equals the prevailing principal amount of that Note (determined in accordance with the Terms and subject in all cases to the Maximum Conversion Number).

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

An **Acquisition Event** means:

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

Amendments to the Terms or the Deed Poll:

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

- (a) of a formal or technical or minor nature;
- (b) made to cure any ambiguity or correct any manifest error;
- (c) necessary or expedient for the purpose of enabling the Notes to be offered for subscription or for sale under the laws for the time being in force in any place;

- (d) necessary to comply with the provisions of any statute or the requirements of any statutory authority;
- (e) made in accordance with the Issuer's adjustment rights in clause 8 of the Terms;
- (f) made to:
 - (i) amend the Terms of the Notes to align them with any Relevant Term Subordinated Instrument issued after the Issue Date;
 - (ii) alter the definition of "Relevant Subordinated Instruments", "Relevant Tier 1 Capital Instruments" or "Relevant Term Subordinated Instruments" on account of the issue after the Issue Date of capital instruments of the Issuer or the Suncorp Group; or
- (g) in any other case, not materially prejudicial to the interests of the Holders as a whole.

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

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

A Special Resolution broadly means:

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

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

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

Austraclear:

If Notes are lodged in the Austraclear System, the Registrar will enter Austraclear in the Register as the Holder of those Notes. While those Notes remain in the Austraclear System, all dealings (including transfers and payments) in relation to those Notes within the Austraclear System will be governed by the regulations for the Austraclear System (but without affecting any Term which may cause APRA to object to the Suncorp Group using or having used the proceeds of the Notes to fund Tier 2 Capital of a Regulated Entity within the Suncorp Group).

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

- (a) the Registrar's decision to act as the Registrar of the Note does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the Note but only indicates that such Note is considered by the Registrar to be compatible with the

performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the Note; and

- (b) the Holder does not rely on any fact, matter or circumstance contrary to (a) above.

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

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

Transactions relating to interests in the Notes may also be carried out through the settlement system operated by Euroclear Bank SA/NV (**Euroclear**) or the settlement system operated by Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Interests in the Notes traded in the Austraclear System may be held for the benefit of Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in Notes in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of BNP Paribas Securities Services (Australia Branch) as custodian for Clearstream, Luxembourg.

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

- Governing law:** The Notes and all related documentation (other than the Registry Agreement) will be governed by the laws of Queensland, Australia. The Registry Agreement will be governed by the laws of New South Wales, Australia.
- Use of proceeds:** The Notes are being issued as part of the Suncorp Group's ongoing funding and capital management strategy. The Issuer expects to use the proceeds of issue of the Notes to fund Tier 2 Capital (as described in the Prudential Standards issued by APRA) of one or more Regulated Entities within the Suncorp Group and for general funding purposes.
- Selling Restrictions:** The offering, sale and delivery of Notes are subject to the rules, restrictions and operating procedures which may apply in connection with the offering and sale of the Notes. See also "Subscription and Sale" below.
- Offers and sales of the Notes are not permitted to be made in the United States or to, or for the account or benefit of, U.S. Persons.
- For the purposes of Regulation S, Category 2 selling restrictions shall apply. It is the Issuer's expectation that any Ordinary Shares issued on Conversion of Notes will be freely tradeable.

Transfer

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

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

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

Notes may only be transferred:

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

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

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

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

Taxes:

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

Stamp duty:

Any stamp duty incurred at the time of issue of the Notes will be for the account of the Issuer. Any stamp duty incurred on a transfer of Notes will be for the account of the relevant investors. As at the date of this Information Memorandum, no Australian stamp duty should be payable:

- (a) on the issue of the Notes or any transfer of Notes; or
- (b) on the issue or transfer of ordinary shares based on certain assumptions.

See "Australian Taxation – Other Australian tax matters – stamp duty and other taxes" below.

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

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

About Suncorp

1 Introduction

The Issuer is an ASX-listed company (ASX: SUN) and financial services provider in Australia and New Zealand, and the ultimate parent company of the Suncorp Group. Suncorp Group offers insurance and banking products and services to customers in Australia and New Zealand.

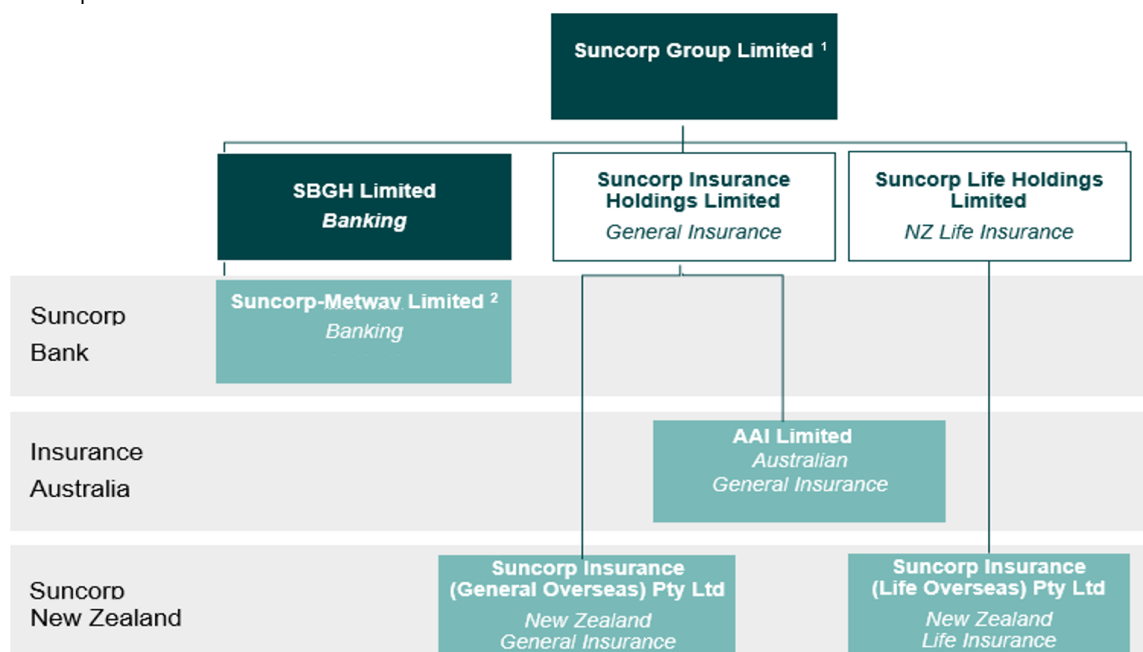
Following a comprehensive strategic review, Suncorp announced on 18 July 2022 it has signed a share sale and purchase agreement (SPA) with Australia and New Zealand Banking Group Limited (ANZ) to sell Suncorp Bank. As announced to the market on 12 December 2022, ANZ lodged a merger authorisation application with the Australian Competition and Consumer Commission (ACCC) for the purchase of Suncorp Bank. The ACCC have announced an indicative timeline for consideration of the application with the ACCC's determination expected by 12 June 2023. ANZ's authorisation application to ACCC is the first step in the approval process, with approvals also required from the Federal Treasurer and the Queensland Government in relation to the State Financial Institutions and Metway Merger Act 1996 (Qld). More information about the Suncorp Group and its businesses can be found at www.suncorpgroup.com.au.

2 Overview of the Suncorp Group

Suncorp Group offers insurance and banking products and services through its brands in Australia and New Zealand. With a heritage dating back to 1902, Suncorp has grown to become an ASX-listed company with approximately \$110 billion in total assets.

3 Suncorp Group's operating businesses

Suncorp Group comprises three operating businesses — Insurance Australia, Suncorp Bank and Suncorp New Zealand.



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

- ¹ **Suncorp Group Limited (the Issuer):** The Issuer has been approved by the Australian prudential regulator, APRA, as the authorised NOHC of the Suncorp Group. Subsidiary holding companies have been established for the APRA-regulated general insurance businesses ("**General Insurance**") and APRA-regulated banking businesses ("**Bank**").
- ² **Suncorp-Metway Limited:** Issues various wholesale instruments, including senior unsecured bonds pursuant to its Domestic Medium-Term Notes, Transferable Deposits and Other Debt Instruments Programme and its US\$15 billion 144A Programme for the issuance of Senior Medium-Term Notes. It also issues covered bonds through its US\$5 billion Global Covered Bond Programme and issues mortgage-backed securities through its APOLLO Securitisation Programme.

Insurance Australia

Insurance Australia delivers home and contents, motor, caravan, compulsory third party, workers' compensation and commercial insurance through the Suncorp Group's suite of insurance brands, including AAMI, Suncorp Insurance, GIO, Vero, Apia, Terri Scheer and Shannons. Suncorp Group's Insurance Australia business is one of Australia's largest general insurers by gross written premium and is Australia's largest compulsory third party insurer. \$4,840 million gross written premium (excluding emergency services levies) was recognised during the half year to 31 December 2022.

Suncorp Bank

Suncorp Bank provides lending, deposit and transaction account services to personal, small and medium enterprise (SME), commercial and agribusiness customers. Total gross loans and advances of \$64,902 million as at 31 December 2022.

As outlined above, on 18 July 2022, the Issuer announced it has signed a share sale and purchase agreement with ANZ to sell its Banking business, following a comprehensive strategic review. The sale is subject to regulatory and government approvals with a target completion by the second half of the calendar year 2023. There are risks associated with undertaking divestments, including in connection with the sale of Suncorp Bank (refer to Sections 2.15 and 2.16).

Suncorp New Zealand

Suncorp New Zealand (SNZ) represents all of Suncorp's operations within New Zealand. SNZ includes Vero Insurance New Zealand, Vero Liability, Asteron Life, AA Insurance and AA Finance and operates an end-to-end business with local functions across the value chain. General and Life Insurance products are manufactured internally and distributed via intermediaries. General and Life Insurance is also underwritten and white-labelled via corporate partners. Joint ventures and a Life Insurance distribution arrangement with the New Zealand Automobile Association offer solutions manufactured and sold directly to customers. Total gross written premium of A\$1,071 million was recognised during the half year to 31 December 2022.

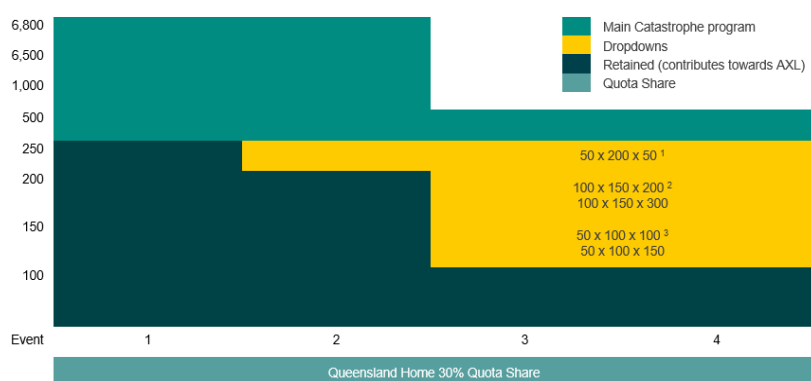
Strategy

The Suncorp Group is in the final stages of the delivery of its three-year plan to drive growth and efficiencies in the core businesses, while building on the Group's existing digital and data capability. Refer to the 1H23 Investor Pack and 1H23 Results Presentation for more information.

4 General insurance Reinsurance

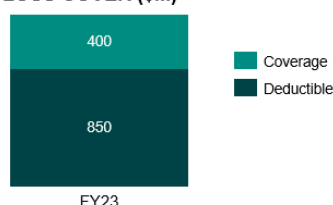
The Suncorp Group enters into a number of reinsurance arrangements for its general insurance business. These arrangements allow individual claim costs or event costs (such as natural catastrophes or very large weather events) to be limited. Reinsurance plays an important role in reducing retained insurance risk, meeting regulatory capital requirements, reducing earnings volatility, and supporting the Suncorp Group's capacity to write new policies.

FY23 MAIN CATASTROPHE AND DROPDOWN COVER (\$M)



1. Dropdown 1 (50m xs 200m xs 50m) provides \$50 million of cover, for events greater than \$200 million once the cumulative impact of qualifying events reach \$50 million; relates to Australian events only.
2. Dropdown 2 (100m xs 150m xs 200m) provides \$100 million of cover, for events greater than \$150 million once the cumulative impact of qualifying events reach \$200 million; relates to Australian events only.
3. Dropdown 3 (50m xs 100m xs 100m) provides \$50 million of cover, for events greater than \$100 million once the cumulative effect of qualifying events reach \$100 million. Dropdown 3 has been restructured to increase the event deductible to \$100 million from \$50 million last year; relates to Australian events only.

FY23 AGGREGATE EXCESS OF LOSS COVER (\$M)

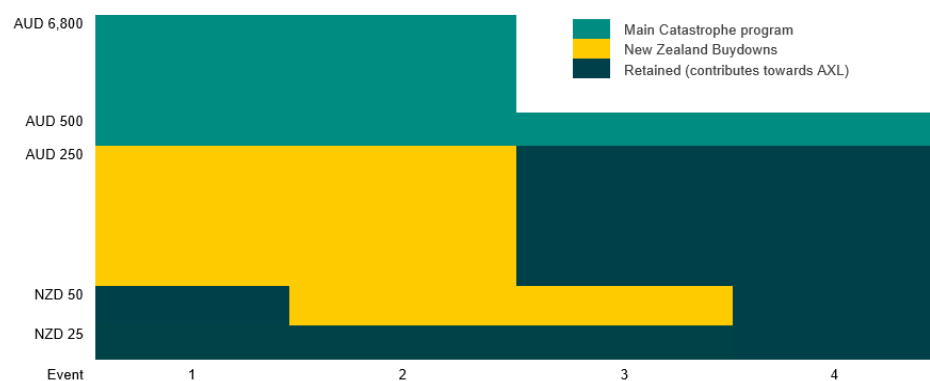


The AXL treaty for FY23 is an aggregate protection cover providing \$400 million of cover in excess of a retention of \$850 million for loss events above \$10 million. The inclusion of the event deductible means Suncorp will retain the first \$10 million of each event, accepting the lower end of the natural hazard volatility components.

The Suncorp Group’s main catastrophe reinsurance program covers natural perils event costs associated with the home, motor and commercial portfolios for the financial year ending 30 June 2023. The program includes a quota share arrangement which cedes 30% of the property exposure from the Queensland home insurance portfolio to reduce concentration risk. In addition, the program includes protection for events net of the quota share of up to \$6.8 billion, which is in excess of APRA and Reserve Bank of New Zealand (“RBNZ”) regulatory requirements.

The Suncorp Group retains \$250 million of event costs for the first event. Additional Australian Dropdown cover has been purchased to reduce the maximum losses that Suncorp Group retains for a second Australian event to \$200 million and, for a third and fourth event, to \$100 million.

FY23 NEW ZEALAND BUYDOWN COVER (\$M)



In addition to the main catastrophe reinsurance program referenced above, the New Zealand Buydowns further limit retention for New Zealand perils to NZD\$50 million on the first event and NZD\$25 million on the second event. A third event benefits from NZD\$25 million of coverage in excess of \$25 million retention (with losses between NZD\$50 million and AUD\$250 million retained). All events in New Zealand also contribute towards and can benefit from the aggregate excess of loss. The January 2023 flooding event in New Zealand is expected to utilise the first cover, and therefore the maximum cost of the first event to the Suncorp Group is expected to be NZ\$50 million. To the extent the gross claims costs of ex-tropical cyclone Gabrielle exceed NZD\$25 million it would utilise the second cover, and therefore the maximum cost of the second event is expected to be NZ\$25 million. The Suncorp Group is assessing whether reinstatement of reinsurance cover with the external market is appropriate for New Zealand for the remainder of FY23. See also Section 11 Recent Developments.

From October 2022, the NZ Earthquake Commission has increased the cap for house policies by NZ\$150,000 to NZ\$300,000. The roll out of this increase will be completed by October 2023.

On 29 March 2022, the Federal Government’s Cyclone Reinsurance Pool (CRP) legislation passed through the senate, establishing the CRP to cover home and SME property damage resulting from declared cyclones and a limited amount of related flooding. The CRP is being administered by the Australian Reinsurance Pool Commission (ARPC). Final premiums for the CRP were released in October 2022. Suncorp is preparing for the implementation of the CRP including revising external reinsurance structures to align with the new paradigm.

Further details regarding the FY23 reinsurance program are held in Appendix H of HY22 Issuer Investor Pack accompanying the financial results release for 31 December 2022.

5 Capital management

The Suncorp Group’s capital management strategy is to optimise shareholder value by managing the level, mix and use of capital resources. Capital management balances the requirements to grow the business, the commitments to customers, returns to shareholders and regulatory obligations.

The Suncorp Group is subject to, and complies with, external capital requirements set and monitored by APRA and the RBNZ.

For regulatory purposes, capital is classified as follows:

- Common Equity Tier 1 (“CET1”) Capital comprising accounting equity with adjustments for intangible assets and regulatory reserves
- Tier 1 Capital comprising CET1 Capital plus Additional Tier 1 Capital such as hybrid securities with ‘equity like’ qualities
- Tier 2 Capital comprising certain securities recognised as Tier 2 Capital, together with certain reserves and
- Total Capital, which is the sum of Tier 1 Capital and Tier 2 Capital.

The Suncorp Group maintains capital within each of the regulated operating entities and the holding companies sitting above them. The Suncorp Group’s Internal Capital Adequacy Assessment Process (“ICAAP”) provides the framework to ensure that the Suncorp Group, as a whole and each Regulated Entity, is capitalised to help meet both internal and external requirements. Capital targets are structured according to risk appetite, the relevant business lines regulatory frameworks and APRA’s NOHC Authorisation. A range of instruments and methodologies are used to effectively manage capital, including share issues, reinsurance, dividend policies, Tier 1 and Tier 2 instruments. A component of each ICAAP is a Capital Recovery Plan which documents the governance and actions to be taken to address capital shortfalls in stressed situations.

The ICAAP, including the Capital Recovery Plans are reviewed regularly and, where appropriate, adjusted to reflect changes in the Suncorp Group’s capital requirements.

The Suncorp Group has maintained a capital position at 31 December 2022 within the target operating ranges. Both the General Insurance Group and Bank CET1 ratios have improved within their target operating ranges after the payment of dividends, with a further buffer of CET1 held at Group. The following table summarises the capital position across the Suncorp Group at 31 December 2022.

	As at 31 December 2022					30 June 2022
	General Insurance	Bank ²	NZ Life & other businesses ³	Corporate	Total ⁴	
	\$M	\$M	\$M	\$M	\$M	\$M
CET1 (pre div)	3,559	3,369	88	277	7,293	6,865
Midpoint of Target CET1 Range	3,141	3,285	67	-	6,493	6,583
Excess to Midpoint of Target CET1 Range (pre div)	418	84	21	277	800	282
Common Equity Tier 1 ratio (pre div) ¹	1.30x	10.51%				
Group dividend					(388)	(200)
Key metrics (ex div)	1.21x	10.09%		290	412	82
	CET1 Ratio	CET1 Ratio		CET1	Excess CET1	Excess CET1
CET1 Target	1.05 - 1.25x	10.0 - 10.5%				
Total capital	4,708	4,742	88	277	9,815	9,706
Total target capital	4,370	4,407	67	(18)	8,826	8,857
Excess to target (pre div)	338	335	21	295	989	849
Group dividend					(388)	(200)
Group excess to target (ex div)					601	649
Total capital ratio¹	1.72x	14.80%				

¹ Capital ratios are expressed as coverage of the PCA for General Insurance and as a percentage of Risk Weighted Assets for the Bank.

² On a proforma basis under Basel III effective 1 January 2023.

³ The midpoint for “NZ Life and other businesses” represents the midpoint to the New Zealand Life insurance Target Operating Range.

⁴ The Total Group represents the Level 3 PCR as specified under SGL’s NOHC Conditions and is on a proforma basis allowing for Basel III.

The 31 December 2022 capital position is presented on a proforma basis allowing for the impact on the Bank from the implementation of Basel III on 1 January 2023. The implementation of Basel III is expected to result in a reduction in Bank Risk Weighted Assets (approximately 11%), offset by an increase in capital targets of 100 basis points to reflect the higher regulatory buffers required under Basel III (new Basel III CET1 Target of 10.0% to 10.5%, previous CET1 Target of 9.0% to 9.5%).

Changes by APRA to the Group Non-Operating Holding Company Conditions have enabled the General Insurance Group to realise the diversification benefits between the Australian and New Zealand businesses. This resulted in a reduction in the CET1 targets of the General Insurance Group, while total capital targets were unchanged, leading to a higher Tier 2 requirement for the General Insurance Group.

APRA has confirmed that the proceeds of issue of the Notes may be used to fund Tier 2 Capital of one or more Regulated Entities within the Suncorp Group.

6 Investments

The Suncorp Group's investment strategy plays a key role in achieving an appropriate balance between risk and return. Investment income generated contributes to the Group's results and assists in meeting the Group's cash flow needs, but also increases the Group's exposure to market risk.

7 Risk management

The Suncorp Group recognises that strong risk culture, good governance and effective risk management are essential to achieving the Suncorp Group's strategy and maintaining its social licence to operate.

The Suncorp Group has policies, systems, processes and people in place to identify, assess, manage and monitor internal and external sources of material risk. Material risks are those that could have a material non-financial or financial impact on the Suncorp Group.

The key risks to the Suncorp Group are outlined in the Risk Factors below on pages 44-61.

8 Regulation

The Suncorp Group operates across a number of highly-regulated industry sectors and is subject to ongoing oversight by regulatory authorities in Australia and New Zealand including APRA, Reserve Bank of Australia ("RBA"), ASIC, ASX, Department of Foreign Affairs and Trade Australian Sanctions Office ("ASO"), the Australian Competition and Consumer Commission ("ACCC"), Australian Transaction Reports and Analysis Centre ("AUSTRAC"), RBNZ, the Financial Markets Authority ("FMA"), the Fair Work Ombudsman ("FWO"), Office of the Australian Information Commissioner ("OAIC"), Australian Communications and Media Authority ("ACMA") and New Zealand Commerce Commission. In particular, as a provider of insurance and banking products, the Suncorp Group is subject to ongoing oversight by financial services regulators with the prudential regulator in Australia being APRA and, for insurance, RBNZ in New Zealand.

A full list of regulatory matters which may impact the Suncorp Group is set out in the FY22 Issuer Annual Report. Further information on regulatory risks which may affect the Suncorp Group is set out in the "Legal, regulatory and compliance risk" in section 2.2.

9 Directors of Suncorp

The Directors of Suncorp as at the date of this Information Memorandum are:

- Ms Christine McLoughlin AM, Chairman and Independent Non-executive Director;
- Mr Steve Johnston, Group CEO and Managing Director;
- Ms Sylvia Falzon, Independent Non-executive Director;
- Mr Elmer Funke Kupper, Independent Non-executive Director;
- Mr Ian Hammond, Independent Non-executive Director;
- Ms Sally Herman OAM, Independent Non-executive Director;
- Mr Simon Machell, Independent Non-executive Director;
- Dr Douglas McTaggart, Independent Non-executive Director;
- Mr Lindsay Tanner, Independent Non-executive Director; and
- Mr Duncan West, Independent Non-executive Director.

The Directors of Suncorp may change from time to time due to the appointment or resignation of Directors, and if this occurs Suncorp will make an ASX announcement.

The role and responsibilities of the Directors are set out in the Suncorp Board Charter. The Board Charter and more information on the Directors of Suncorp, including their experience, qualifications and expertise can be found on the Suncorp Group's website at www.suncorpgroup.com.au.

10 Financial overview

Financial Performance

The Suncorp Group has delivered a profit after tax attributable to owners of the Company of \$560 million for the half-year ended 31 December 2022 (December 2021: \$388 million).

Profit after tax increased by 44.3% from the prior comparative period driven by continued strong top-line growth across the Group, improved underlying margins and positive investment returns. The result also benefitted from the release of \$150 million of the provision for potential business interruption claims, following the resolution of the second industry test case.

The Group's total operating expenses (excluding Emergency Services Levies (ESL), Transitional Excess Profits and Losses (TEPL) provision and the exited Wealth business expenses) were \$1,349 million, a decrease of 3.1% from the prior comparative period. This largely reflects efficiency benefits from the strategic program of work, as well as a decrease in project investment relative to the prior period, more than offsetting the impact of the inflationary environment.

Financial Position

Net assets of the Suncorp Group increased from \$12,783 million at 30 June 2022 to \$13,176 million at 31 December 2022. The increase in net assets of \$393 million is primarily driven by the total comprehensive income for the half-year, partially offset by the payment of the 2021-22 financial year final dividend.

11 Recent Developments

On 30 January 2023, the Suncorp Group provided an update on flooding experienced across the North Island in New Zealand. Since that update, the North Island has been impacted by ex-tropical cyclone Gabrielle. These are separate events and the estimated gross cost of claims are still being assessed. Due to the Group's comprehensive reinsurance program, the maximum cost of the first event to the Suncorp Group is expected to be NZ\$50 million and the maximum cost of the second event is expected to be NZ\$25 million. The Suncorp Group is assessing whether reinstatement of reinsurance cover with the external market is appropriate for New Zealand for the remainder of FY23. Further information regarding the reinsurance program can be found above at 4 General Insurance Reinsurance.

Risk factors

Introduction

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

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

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

1 Risks associated with the Notes

Notes are not:

- deposits with, or deposit liabilities of, SML or any other member of the Suncorp Group for the purposes of the Banking Act;
- protected accounts for the purposes of the depositor protection provisions of the Banking Act or the financial claims scheme established under the Banking Act;
- policies of any member of the Suncorp Group for purposes of the Insurance Act nor protected policies for the purposes of the financial claims scheme established under Part VC of the Insurance Act;
- policies with any member of the Suncorp Group for the purposes of the Life Insurance Act;
- guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction;
- guaranteed by any member of the Suncorp Group; or
- secured over any of the Issuer's, or any member of the Suncorp Group's, assets.

If the Issuer fails to perform its obligations in respect of the Notes, investors may lose their investment. The investment performance of the Notes is also not guaranteed by the Issuer nor any member of the Suncorp Group.

1.1 Market price and liquidity of Notes

The market price of the Notes may fluctuate due to various factors, including investor perceptions, Australian and international economic conditions, major Australian or international events including acts of terrorism, an outbreak of international hostilities or tensions (including the ongoing conflict between Russia and Ukraine), geopolitical instability, cyber security threats, changes in interest rates, credit margins, foreign exchange rates, credit ratings and capital markets, and other factors that may affect the Suncorp Group's financial performance and capital position. There is a risk that one or more of these factors will cause the market value of the Notes to decline and trade at a market price below the Face Value. The occurrence of a Non-Viability Trigger Event is also likely to cause the market price of the Notes to decline.

Where Notes are to be Converted, Redeemed or Resold for any reason, the announcement of these events may have a significant impact on the market price and/or liquidity of the Notes and/or Ordinary Shares.

If credit spreads on debt securities widen, the Margin payable on the Notes will be less attractive to purchasers of the Notes than at the Issue Date. Accordingly, the market price of the Notes may reduce to reflect the lower price new investors are willing to pay for the Notes.

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

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

As a result, Holders who wish to sell their Notes before the Maturity Date may incur loss if the Notes trade at a market price below the amount at which the Notes were acquired. The Issuer is unable to forecast or guarantee the market price of the Notes. Unlike Ordinary Shares, the Notes do not provide a material exposure to growth in the Suncorp Group's business.

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

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

1.2 Exposure to the Suncorp Group's financial performance and position

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

1.3 Notes are unsecured and subordinated obligations

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

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

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

If a Non-Viability Trigger Event occurs and the Notes are Converted, Holders will rank equally with other holders of the Ordinary Shares for the return of any surplus assets in a winding-up of the Issuer after payment of all creditors and holders of any preference shares. If the Ordinary Shares to which certain Holders would have been entitled upon Conversion are issued to a Nominee, because the Holders are either Ineligible Holders or have elected not to receive Ordinary Shares (or where certain other circumstances as set out in the Terms apply), such Holders will have the right to receive the cash proceeds of the sale of the Ordinary Shares on market, and will have no claim against the Issuer or any other member of the Suncorp Group in respect of their Notes.

If the Notes are unable to be Converted for any reason within five Business Days of the Non-Viability Trigger Event, they will be immediately and irrevocably Written-Off and the rights of Holders under the Notes will be terminated. In these circumstances Holders will have no claim on the assets of the Issuer or any other member of the Suncorp Group.

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

1.4 Payments on the Notes are subject to satisfaction of the Solvency Condition and the Issuer's right to defer payment of Interest on the Notes

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

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

In addition, the Issuer may, on any Optional Interest Payment Date, in its absolute discretion defer the payment of the Interest on the Notes which would otherwise be payable on such date. The result of any such deferral is that the relevant payment is not due and, accordingly, no Event of Default will or can occur as a result of such non-payment. Such deferral does not give any Holder the right to accelerate repayment of the Notes.

An Optional Interest Payment Date is an Interest Payment Date where no interest payments, dividends or other distributions have been made on any Junior Ranking Instruments or Relevant Term Subordinated Instruments (other than a Relevant Term Subordinated Instrument where the terms of that instrument do not enable the Issuer to defer, pass on or eliminate the relevant payment on such Relevant Term Subordinated Instrument, which includes the Suncorp Wholesale Subordinated Notes 1 and other such instruments on equivalent terms) during the Financial Year in which such Interest Payment Date falls. Accordingly, the payment of any interest amounts on the Suncorp Wholesale Subordinated Notes 1 or other instruments on equivalent terms (despite them ranking equally with the Notes) shall not prevent the Issuer from deferring the payment of Interest on the Notes. Further, the payment of interest, dividends or other distributions on Junior Ranking Instruments (such as Ordinary Shares and Relevant Tier 1 Capital Instrument) or Relevant Term Subordinated Instruments during a previous Financial Year shall not prevent the Issuer from deferring the payment of Interest on the Notes. See "Summary of the Notes – Optional deferral of Interest" for further information about the optional interest deferral feature.

Any deferral of Interest payments is likely to have an adverse effect on the market price of the Notes. In addition, as a result of the optional deferral of Interest on the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities which are not subject to such deferrals. The market price of the Notes may also be more sensitive generally to adverse changes in the Issuer's financial condition than other debt securities which are not subject to such deferrals.

1.5 Changes in the Interest Rate

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

If the Issuer determines that a Rate Disruption Event has occurred, then, subject to APRA's prior written approval, the Issuer shall use as the Bank Bill Rate such Replacement Rate as it may determine and shall make such adjustments to the Terms as it determines are reasonably necessary to calculate interest in accordance with such Replacement Rate. The Terms give the Issuer discretion (subject to APRA's prior written approval) in determining the Replacement Rate, rather than specifying a pre-determined methodology for selection of a replacement rate (unlike some other Australian dollar securities), the impact of which may be less favourable to Holders in the event that a Rate Disruption Event occurs and the fallback mechanism is triggered. See "Summary of the Notes – Interest payments" above.

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

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

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

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

1.7 Conversion following a Non-Viability Trigger Event

If a Non-Viability Trigger Event occurs, the Issuer may be required to Convert some or all Notes into Ordinary Shares. Where a Non-Viability Trigger Event requires only some of the Issuer's Relevant Subordinated Instruments to be converted or Written-Off (that is, where the Non-Viability Trigger Event does not involve APRA determining that the Issuer would become non-viable without a public sector injection of capital or equivalent support and APRA is satisfied that conversion or write-off of such lesser amount of Relevant Subordinated Instruments is sufficient to ensure that the Issuer does not become non-viable), Relevant Tier 1 Capital Instruments would be required to be converted ahead of the Notes. In that case, if conversion of Relevant Tier 1 Capital Instruments is not sufficient to satisfy APRA that the Issuer would not become non-viable, then some or all of the Notes and any other Relevant Term Subordinated Instruments would be required to be converted. As at the date of this Information Memorandum, the Issuer's Relevant Tier 1 Capital Instruments on issue are Capital Notes 2, Capital Notes 3 and Capital Notes 4 (each as defined in the Terms), but it has no obligation to keep them on issue while the Notes are outstanding. If there are no Relevant Tier 1 Capital Instruments on issue and a Non-Viability Trigger Event occurs, the Notes would be required to be Converted (along with some or all of any other Relevant Term Subordinated Instruments then outstanding). Where a Non-Viability Trigger Event involves APRA determining that the Issuer would become non-viable without public sector injection of capital or equivalent support, all Notes must be Converted.

Holders should be aware that a Non-Viability Trigger Event could occur at any time. It could occur on dates not previously contemplated by them or which may be unfavourable in light of then prevailing market conditions or Holders' individual circumstances. Whether or not a Non-Viability Trigger Event will occur is at the discretion of APRA and the Issuer has no obligation to take steps to avoid non-viability. APRA has not provided guidance as to how it would determine non-viability. Non-viability could be expected to include serious impairment of the Issuer's financial position and insolvency; however, it is possible that APRA's definition of non-viability may not necessarily be constrained to solvency measures or capital ratios and APRA's position on these matters may change over time. In the context of authorised deposit-taking institutions ("ADIs"), APRA has indicated that it may regard non-viability as occurring well before an ADI is at risk of becoming insolvent. APRA may publish further guidance on the parameters used to determine non-viability, however, it is possible that it will not provide any further guidance and the Issuer has no control over whether it will do so. Non-viability may be significantly impacted by a number of factors, including factors which affect the business, operation and financial condition of the Issuer. For instance, systemic and non-systemic macro-economic, environmental and operational factors, globally and in Australia and New Zealand, may affect the viability of the Issuer.

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

The number of Ordinary Shares a Holder will receive is limited to the Maximum Conversion Number.

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

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

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

1.8 Conversion following a Holder exercising its right of Conversion

A Holder who wishes to exercise their option to Convert Notes into Ordinary Shares on the Holder Conversion Date will not receive any Ordinary Shares unless the Holder has included in the Holder Conversion Notice its share trading account details. Further, if the Issuer is not satisfied that the issue of the Ordinary Shares to the Holder is permitted (because the Holder is a Foreign Holder), then the Holder's Ordinary Shares will be issued to a nominee rather than the Holder.

The amount of Ordinary Shares which the Holder may receive if it exercises its right to Convert is limited to a Maximum Conversion Number and where that Maximum Conversion Number applies the value of the Ordinary Shares received may be significantly less than the nominal amount of the Holder's investment.

Where a Holder has exercised their option to Convert Notes and the Issuer fails to issue or deliver the Ordinary Shares on Conversion because of the restrictions discussed above (or for any other reason), the Notes will remain on issue and the remedy of a Holder will be limited to seeking an order for specific performance of the Issuer's obligation to issue or deliver the Ordinary Shares.

The information relating to the restrictions on holding and trading Ordinary Shares in the section entitled "Risk Factors—Risks with acquiring Ordinary Shares on Conversion is also relevant to a Holder exercising the right to Convert.

1.9 Acquisition and/or delisting of the Issuer

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

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

If the Issuer is acquired by another entity and delisted, and substitution of an Approved Acquirer as the issuer of the ordinary shares to be delivered upon Conversion is not effected under the Terms for

whatever reason, or if the Issuer is otherwise delisted, and a Non-Viability Trigger Event occurs, the Notes may be required to be Converted into unlisted Ordinary Shares in the Issuer, which may affect the ability of Holders to sell them as well as the price at which they may be sold. Where Notes are Converted into unlisted Ordinary Shares in the Issuer, the price for Conversion would reflect the last traded price of the Issuer's Ordinary Shares which may bear no relation to their value on the occurrence of a Non-Viability Trigger Event. In addition, there may be no market for unlisted Ordinary Shares, or they may not be able to be sold at their issue price, or at all.

If an acquisition or change of control of the Issuer occurs before the Holder Conversion Date, Ordinary Shares may no longer be quoted on ASX and in that case Holders will not receive quoted or tradeable Ordinary Shares, and the Ordinary Shares may not be able to be sold for an amount equal to the Nominal Amount of Notes (if any) Converted.

1.10 Risks with acquiring Ordinary Shares on Conversion

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

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

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

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

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

1.11 Market price and liquidity of Ordinary Shares

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

The market price of Ordinary Shares may fluctuate due to various factors, including investor perceptions, Australian and international economic conditions, major Australian or international events including acts of terrorism, an outbreak of international hostilities or tensions (including the ongoing conflict between Russia and Ukraine), geopolitical instability, cyber security threats, credit ratings and other factors that may affect Suncorp Group's financial performance and position. Investors should carefully evaluate the investment risks associated with an investment in the Issuer and the Suncorp Group (see "Risks associated with Suncorp's Business" below).

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

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

1.12 The Issuer may Redeem the Notes early in certain circumstances

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

- some or all of the Notes of a Series on a Scheduled Optional Redemption or Resale Date; or
- upon the occurrence of a Tax Event or a Regulatory Event in respect of a Series, all (but not some) of the Notes of that Series (if the Issuer did not expect on the Issue Date that the event would occur). See "Summary of the Notes – Tax Event and Regulatory Event".

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

Holders should note that any approval is at APRA's discretion and may not be given. In addition, APRA has recently stated that, consistent with its prudential requirements, where it considers any replacement capital to be more expensive (including because of higher credit margins), APRA may not approve a redemption unless the issuer satisfies it as to the economic and prudential rationale for the redemption and that the redemption will not create an expectation that other regulatory capital instruments will be redeemed in similar circumstances.

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

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

There is a risk that the prevailing market price will be less than the Face Value of the Notes and/or that the market for the Notes may not be liquid. Neither the Issuer or any other member of the Suncorp Group guarantee that the Notes may be sold at an acceptable price, or at all. Brokerage fees may be incurred if the Notes are sold through a broker. Holders may suffer losses on their investment in the Notes as a result.

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

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

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

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

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

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

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

1.15 No restriction on future issue or redemption of securities

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

An investment in Notes carries no right to participate in any future issue of securities (whether equity, Tier 1 Capital, Tier 2 Capital, subordinated or senior debt or otherwise) by the Issuer (except for the right of Holders to require Conversion of their Notes on a Holder Conversion Date).

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

1.16 Regulatory classification and prudential supervision

There is a risk that the position of Holders may be adversely affected due to the regulatory capital treatment of the Notes. APRA has confirmed that the proceeds of the Notes may be used to fund Tier 2 Capital of a Regulated Entity within the Suncorp Group under APRA's Prudential Standards for general insurers.

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

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

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

1.17 Australian taxation

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

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

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

1.18 Amendments to the Terms

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

1.19 Changes to credit ratings

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

1.20 No rights to vote

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

Holders have no voting or other rights in relation to Ordinary Shares until Ordinary Shares are issued to them. In addition, the Notes do not confer on Holders any right to subscribe for new securities in the Issuer or to participate in any bonus issue of securities. The rights attaching to Ordinary Shares, if Ordinary Shares are issued, will be the rights attaching to Ordinary Shares at that time. Holders have no right to vote on or otherwise to approve any changes to the Constitution in relation to the Ordinary Shares that may be issued to them upon Conversion. Therefore, Holders will not be able to influence decisions that may have adverse consequences for them.

2 Risks associated with Suncorp's business

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

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

2.1 COVID-19

The COVID-19 pandemic and the associated prevention measures have had a profound impact on the Australian, New Zealand and global economies and the ability of individuals, businesses, and governments to operate.

Any resurgence in COVID-19, or other future pandemics, could result in similar or further restrictive measures being implemented. Travel, trade, health systems, business, working arrangements, employment levels and consumption could be materially impacted by any resurgence in COVID-19 (including as a result of further variants) or further pandemics and associated prevention measures. The impact of some or all of these pandemic measures could cause significant direct disruption to the Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

Since the emergence of the COVID-19 pandemic, more of Suncorp's staff, partners and other third parties have been required to work remotely or from alternative work sites, which has the potential to increase the risk of cyber-attack on parts of the existing technology infrastructure.

Any resurgence in COVID-19, or other future pandemics may also result in some delays and changes in government policy, regulation or legislation which could have an adverse effect on the financial performance and position of the Suncorp Group. Additionally, as a business with multiple (geographic and jurisdictional) subsidiaries, any resurgence in COVID-19 or other future pandemics and associated impacts could necessitate further divisional regulatory capital requirements or support (either on a standalone basis or concurrently), which creates additional challenges and risks for the financial position of the Suncorp Group. To the extent COVID-19, other future pandemics and associated prevention measures adversely affects the Suncorp Group's business and results of operations, it may also have the effect of heightening the materiality of the other risks described in this Section 2. These include potential impacts on market risk, global market and economic volatility, credit risk, insurance risk, estimations of claims provisions and operational risk. These risks are discussed in the following pages.

2.2 Legal, regulatory and compliance risk

The Suncorp Group operates across a number of highly regulated industry sectors. In Australia and New Zealand there have been, and continue to be, significant legislative and regulatory reforms and proposals, as well as numerous government and regulator consultations, reviews and inquiries which may result in changes that may impact the Suncorp Group's operations. The Suncorp Group is subject to a substantial number of laws, regulations and policies, scrutiny from regulators, legislative bodies, law enforcement agencies and community concern regarding the conduct of the financial services sector. Reviews and enquiries from regulators, legislative bodies and law enforcement agencies with respect to matters relating to the financial services sector generally, and the Suncorp Group's business operations, capital, liquidity and risk management, compensation and other matters, may result in adverse press coverage, increased regulatory scrutiny, investigation costs, administrative costs, legal costs, system changes and compensation and/or remediation payments (including interest) or fines and penalties. Responding to and addressing such matters regardless of the ultimate outcome, has become increasingly time-consuming, complex and costly, can adversely affect investor confidence and can divert the time and effort of the Suncorp Group's staff (including senior management) from their business. The outcome of regulatory reviews and other regulatory action is uncertain.

The nature, timing and impact of future regulatory reforms or changes are not predictable and are beyond the Issuer's control. Regulatory change may also impact the Suncorp Group's operations by requiring it to have higher levels and better quality of capital as well as placing restrictions on the businesses the Suncorp Group operates or requiring the Suncorp Group to alter its product or service offerings. If regulatory change has any such effect, it could adversely affect one or more of the Suncorp Group's businesses, restrict its flexibility, require it to incur substantial costs and impact the profitability of one or more of the Suncorp Group's businesses. Any such costs or restrictions could adversely affect the Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects. The Suncorp Group conducts its own internal reviews of its regulatory compliance, which it may disclose to the regulators in Australia and New Zealand, which may result in similar impacts.

In Australia and New Zealand, the relevant national regulatory authorities include APRA, ASX, RBA, ASIC, ACCC, AUSTRAC, FWO, OAIC, ACMA, Australian Taxation Office ("**ATO**"), Australia Financial Complaints Authority ("**AFCA**"), Department of Foreign Affairs and Trade Australian Sanctions Office ("**ASO**"), RBNZ, FMA and the New Zealand Commerce Commission. In recent periods, a number of regulators in Australia and New Zealand including ASIC, APRA, ACCC, AUSTRAC, ATO and FMA conducted reviews and made enquiries with the Suncorp Group (including as disclosed in the 1H23 Issuer Half Year Report, AUSTRAC's Compliance Assessment concerning SML's compliance with Anti-Money Laundering and Counter-Terrorism Financing obligations). There were a number of non-compliance instances identified and disclosed by the Suncorp Group to ASIC, APRA, AUSTRAC, ASO, FWO and FMA. Engagement with relevant national regulatory authorities in relation to specific matters is ongoing, which may result in regulatory enforcement action, fines and penalties, remediation obligations and/or litigation.

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

If the Issuer or another member of the Suncorp Group fails to comply with applicable laws and regulations, it may be subject to fines, penalties, restrictions on its ability to do business including additional capital requirements or licence conditions or loss of licence to conduct business or restrictions on its ability to perform its obligations with respect to the Notes. Investigations, inquiries, penalties and fines sought by regulatory authorities have increased substantially over the last several years, and regulators have become assertive in commencing enforcement actions or with advancing or supporting legislation targeted at the financial services industry. If the Suncorp Group is subject to adverse regulatory findings, the financial penalties could have a material adverse effect on its results or operations. Adverse publicity, governmental scrutiny and legal and enforcement proceedings can also have a negative impact on the Suncorp Group's reputation with customers and on the morale and performance of its employees.

There are various proposals and changes from global regulatory, advisory and standard-setting bodies such as the International Association of Insurance Supervisors, the Basel Committee on Banking Supervision, the International Organisation of Securities Commissions and the Financial Stability Board which if adopted, or followed by domestic regulators, may increase operational and capital costs or requirements.

Royal Commission

The 2019 final report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry set out 76 policy recommendations to strengthen protections for consumers, small business and rural and regional communities. The Government's program in response to the recommendations of the Royal Commission continues to evolve with the *Financial Sector Reform (Hayne Royal Commission Response) Act 2020* ("**Act**"). The outcome and total costs which may arise from regulatory reform, including as a result of the final report of the Royal Commission, remains uncertain.

A key component of the Act is changes to the breach reporting regime, with the scope of what must be reported to ASIC widened to include investigations of significant breaches. Australian financial services licensees including those within the Suncorp Group have 30 days to report to ASIC from the time a reportable situation arises. The purpose of the reform is to drive greater consistency in the breach significance and reporting processes, and an increase in breaches reported to ASIC continues to occur as an outcome, with a corresponding increase in scrutiny from ASIC and annual public reporting and disclosure of breach insights.

Other important reforms emanating from the Act and commencing during the last year are claims handling now being considered as a financial service, the prohibition of hawking of insurance products to customers, and certain sections of industry codes of practice being deemed enforceable. At this stage it is too soon to determine impacts, however, increased attention from ASIC has been experienced by Suncorp and industry.

In addition, on 8 September 2022, a Bill for the Financial Accountability Regime ("**FAR**") was introduced into Federal Parliament, following prior consultation by the Australian Government Treasury Department on the legislation and a previous tabling in 2021. FAR was developed in response to recommendations made by the Royal Commission and is intended to extend and replace the Banking Executive Accountability Regime ("**BEAR**"), which currently applies to ADIs such as SML. If FAR is implemented in its current form, members of the Suncorp Group and certain senior personnel will be subject to, or impacted by, new or heightened accountability obligations and obligations in relation to remuneration, notifications and other matters, and may be liable to new or increased civil penalties and/or other regulatory enforcement, which may also impact the ability to attract and retain high quality executives.

In addition to policy matters, the final report of the Royal Commission sets out details of various case studies, made observations in respect of each and in some instances referred matters to regulators for further enquiry. The total costs which may arise from these matters remains uncertain and it remains uncertain whether any other enquiries or claims may arise following the case studies and observations in the report.

AASB 17

AASB 17 Insurance Contracts (**AASB 17**) is a new accounting standard for all types of insurance contracts and replaces AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts. AASB 17 is effective for the Group's consolidated financial statements for the reporting period beginning on 1 July 2023.

The Group's consolidated financial statements for the year ended 30 June 2022 included disclosure on the key requirements and changes expected from implementing AASB 17 in note 35 including changes to presentation and disclosure of insurance contracts.

The Group continues its analysis of the implications of implementing AASB 17 including the changes to capital and reporting prudential standards. Current tax law in Australia is drafted to mirror AASB 1023 and the Group are awaiting direction from the appropriate authorities to understand the financial and operational impact of transition to AASB 17.

The AASB 17 requirements are complex and global interpretation of these requirements is evolving. The Group continues to closely monitor all these developments and to assess the impacts of the

standard and other regulations on the Group. The financial impact of adopting AASB 17 is not reasonably estimable at the date of this Information Memorandum.

The Group is progressing with implementation and testing of changes to finance systems and processes, actuarial modelling and financial, regulatory and management reporting.

ADI Capital Framework

On 1 January 2023 APRA's revised ADI capital framework (prudential standards) took effect. APRA's primary objective in reforming the ADI capital framework was to strengthen the resilience of the Australian financial system, ensuring the banking industry maintains an 'unquestionably strong' level of capital, as well as enhancing flexibility through higher capital buffers and improved risk sensitivity. The capital impacts of implementing the revised ADI capital framework are not material, as the reduction in RWAs under the revised ADI capital framework are largely offset by the increase in capital targets.

New Zealand Prudential Standards Review

The New Zealand business will be affected by the RBNZ's review of the *Insurance (Prudential Supervision) Act 2010* (NZ) and solvency standards. Currently, insurers are required to hold a minimum solvency margin specified by the RBNZ for a particular company. RBNZ is considering implementing a ladder of intervention framework, which provides a level of supervisory response relative to solvency positions against control levels. Consultations on the review are ongoing and the outcome of this review remains uncertain.

Customer remediation and complaints

The Group is currently undertaking a number of programs of work in both Australia and New Zealand to resolve prior issues that in some cases impacted customers. Contingent liabilities may exist in respect of actual or potential claims, compensation payments and/or remediation payments (including interest) identified as part of existing programs of work or as part of future programs responding to regulatory or internal reviews.

The AFCA has the power to award compensation within financial limits prescribed by its rules on complaints raised by customers and also investigate matters they consider may be 'systemic'. The Group is working through the individual cases that have been referred to AFCA.

An assessment of the likely cost to the Suncorp Group of reviews and customer complaints has been made on a case-by-case basis but cannot always be reliably estimated. To the extent that the potential impact can be reliably estimated, the amount has been provisioned.

The New Zealand business has a number of remediation projects involved across the New Zealand subsidiaries with some of those in the close-out process. Provisions have been raised to facilitate remediation payments, although there is no guarantee that provisions will be adequate. There is also heightened regulatory focus on remediation related issues, particularly multi-policy discounts and in October 2022 the FMA commenced legal proceedings against Vero Insurance New Zealand Limited which may result in a monetary penalty. Discussions with the FMA are ongoing and potential penalties have been provisioned.

Foreign regulations

The Suncorp Group's businesses may be affected by changes to the regulatory framework in other jurisdictions, including the cost of complying with regulation that has extra-territorial application such as the *Bribery Act 2010* (UK), *Foreign Account Tax Compliance Act 2010* (U.S.), *Dodd-Frank Wall Street Reform and Consumer Protection Act 2010* (U.S.) and other reforms.

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

Relevant provisions of the Insurance Act, powers of a statutory manager and APRA secrecy rules

In certain circumstances APRA may appoint a statutory manager (an "**Insurance Act statutory manager**") to take control of the business of an authorised NOHC of a general insurer, such as the Issuer.

Those circumstances are defined in the Insurance Act to include, among other things where a statutory manager has taken control of a general insurer which is a subsidiary of the NOHC, (or APRA intends that this occurs) and APRA either:

- considers the NOHC provides services or conducts business essential to the capacity of the general insurer to maintain its operations; or
- considers that this is necessary to facilitate the resolution of the general insurer or one or more of its related bodies corporate.

The grounds on which APRA may appoint a statutory manager to the general insurer include:

- where a statutory manager has taken control of a body related to the general insurer (including any related ADI under the Banking Act or any related life insurer under the Life Insurance Act);
- where the general insurer’s financial position is deteriorating rapidly, or is likely to deteriorate rapidly, and failure to respond quickly to the deterioration would be likely to prejudice the interests of policyholders of the general insurer;
- where it is likely that the general insurer will be unable to carry on insurance business in Australia consistently with the stability of the financial system in Australia; and
- an external administrator has been appointed to a holding company of the general insurer and the appointment poses a significant threat to the operation or soundness of the general insurer, the interests of its policy holders or the stability of the financial system.

The powers of an Insurance Act statutory manager include the power to alter a NOHC’s constitution, to issue, cancel or sell shares (or rights to acquire shares) in the NOHC and to vary or cancel rights or restrictions attached to shares in a class of shares in the NOHC. An Insurance Act statutory manager is authorised to do so despite the Corporations Act, the NOHC’s constitution, any contract or arrangement to which the NOHC is party or the ASX Listing Rules. The Insurance Act statutory manager may also dispose of the whole or part of a NOHC’s business.

If an Insurance Act statutory manager is appointed to the Issuer in the future, these broad powers may be exercised in a way which adversely affects the rights attaching to the Notes and the position of Holders.

APRA may also, in certain circumstances, require the Issuer to transfer all or part of its business to another entity under the *Financial Sector (Transfer and Restructure) Act 1999* (Cth) (“**FSTR Act**”).

A transfer under the FSTR Act overrides anything in any contract or agreement to which the Issuer is party and therefore may have an adverse effect on the Issuer’s ability to comply with its obligations under the Notes and the position of Holders.

In addition, Holders should be aware that secrecy obligations may apply to action taken by APRA. This means that information about action taken by APRA (including in exercise of its powers under the Insurance Act) may not be publicly disclosed.

Financial crime obligations

The Suncorp Group is subject in its operations to laws and regulations relating to corrupt and illegal payments and money laundering obligations, as well as laws, sanctions and economic trade restrictions relating to doing business with certain individuals, groups and countries. The diversity of its operations, employees, clients and customers, as well as the vendors and other third parties that it deals with, increases the risk that a member of the Suncorp Group may be found in violation of such rules or regulations. Any such violation could subject the Suncorp Group to significant penalties, revocation, suspension, restriction or variation of conditions of operating licences, adverse reputational consequences, litigation by third parties (including potentially class actions) or limitations on its ability to do business. The Suncorp Group’s ability to comply with these laws is dependent on its ability to improve detection and reporting capabilities and reduce variation in control processes and oversight accountability.

Additional risks impacting the Suncorp Group

Beyond the regulatory risks outlined above, the Suncorp Group additionally is dealing with the following matters:

- Closer supervision from APRA on the proposed divestment of Suncorp Bank, related contingency planning for Suncorp Group, and transitioning. Each of these will change dependent on the decisioning for regulatory approvals from the ACCC and the Federal Treasurer, along with the negotiations with the QLD government and any state legislative amendments necessary to enable the transaction to complete.

- The Suncorp Group has completed its remediation following the review into pay and leave entitlements in Australia. Remediation payments to all impacted employees were finalised in August 2022. Engagement with the Fair Work Ombudsman continues and an outcome is expected to be agreed during FY23.
- APRA have completed a review requiring a number of general insurers to assess the soundness of their insurance risk management (“IRM”) frameworks, particularly in the context of business interruption insurance and (silent) cyber risk. Although Suncorp’s IRM design and effectiveness was considered appropriate, some components are being enhanced and APRA are monitoring the continued implementation of the associated remediation plans.
- The FMA commenced legal proceedings against Vero Insurance New Zealand Limited for alleged breaches under the *Financial Markets Conduct Act 2013* (NZ) in respect of its failure to apply multi-policy discounts to insurance policies. This may result in a penalty. The potential amount of any such penalty remains uncertain.
- The administration by ASIC of the unfair contract terms legislation which extends the application of the legislation to insurance contracts. Suncorp anticipates future supervision being conducted by ASIC on unfair contracts terms in insurance, potentially consistent with the industry-wide review that transpired in the banking sector during 2016 – 2018 (of which SML participated, with no adverse outcomes).
- ASIC requested certain Australian insurers to commission a review to confirm whether all discounts or price rewards the insurer has promised on all retail general insurance products over the past five years have been fully delivered to all relevant customers. The review was completed and submitted in April 2022 and identified some areas of non-compliance. An immaterial provision has been raised for this matter.
- The Australian government established the Cyclone Reinsurance Pool (“CRP”) commencing from 1 July 2022 with Suncorp required to have all policyholders participating in the pool by 31 December 2023. Suncorp remains on track to commence participation in the CRP by the due date. The ACCC are monitoring prices, costs and profits of industry participants such as Suncorp and the CRP’s operation, to understand the CRP effectiveness and benefits to consumers and report on these. There remains uncertainty as to the impact of the pool as expected savings from the CRP’s lower cyclone reinsurance costs may be offset by higher reinsurance costs for remaining natural hazard risks.
- Changes to the *Earthquake Commission Act 1993* (NZ) (“EQC Act”) involving the NZ EQC cover for a residential building being lifted from the current level of NZ\$150,000 to NZ\$300,000 became effective from 1 October 2022. Further changes to the EQC Act will be replaced by the Natural Hazards Insurance Bill which is in the final stages of being passed in Parliament and is expected to come into force on 1 July 2024. The Bill clarifies cover for different types of building and land damage, removes the discretionary discount for EQC premiums collected by insurers and introduces a claimant code as well as a standing dispute resolution service. The potential impacts of legislation changes to the EQC Act remain uncertain.
- Changes to credit provisioning were required as a result of the implementation of the new APRA Prudential Standard APS 220 Credit Risk Management, including a review of provisions across ADIs. Suncorp Bank actively engaged with APRA as part of this review and the impacts of this review remain uncertain.
- ASIC exercising its product intervention power, which allows ASIC to temporarily intervene, including to ban financial products, when there is a risk of significant consumer detriment. The use of ASIC’s intervention power and any associated impacts remain uncertain.
- ASIC overseeing financial product design and distribution obligations (“DDO”), which require financial product firms to develop products that meet the needs of the consumers in their intended target market. The full impacts of DDO obligations remain uncertain.
- Administration of the Consumer Data Right legislation, which governs the provision of consumer data and gives individuals and businesses a right to efficiently and conveniently access specified data in relation to them, held by a data holder (inclusive Suncorp) and the authorisation of access to their data by accredited third parties. The costs of complying with the Consumer Data Right legislation remain uncertain.
- APRA consultation on, and implementation of, more detailed operational risk and resilience prudential requirements (CPS 230) including a focus on critical operations, business continuity

management, operational risk, and (material) service provision. Commencement of the new obligations is scheduled for 1 January 2024. The outcomes of the consultation remain uncertain.

- Expectations from each of APRA and ASIC relating to climate-change risk management and disclosure, along with regulatory changes currently being consulted on by Commonwealth Treasury on the latter. On 26 November 2021 APRA released its final prudential practice guide on climate change financial risks, to assist entities to manage climate-related risks and opportunities within their existing risk management and governance practices. Equally ASIC will have input into further development work on an international standard on climate risk disclosure to be driven by the new International Sustainability Standards Board and are likely to heighten expectations of impacted entities such as Suncorp. The outcomes of these activities remain uncertain.
- A long-running review of the *Privacy Act 1988* (Cth) continues, which aims to introduce enhanced transparency and consent obligations, use of personal information needing to be fair and reasonable, new individual data subject rights, and requirements for privacy impact assessments for initiatives. The full outcome of this review remains uncertain. Additionally the *Privacy Legislation Amendment (Enforcement and Other Measures) Act 2022* substantially increases penalties for a serious or repeated breach of privacy and grants new enforcement powers for the OAIC to resolve breaches more efficiently and effectively.
- Finalisation of APRA prudential standards on financial contingency planning, as well as resolution planning. The new requirements are proposed to take effect from 1 January 2024 and the outcomes of which remain uncertain.
- The triennial review of the Australian Banking Association (ABA) Banking Code of Practice (BCoP). An independent review has been conducted and a report containing 116 recommendations was delivered, with the report and recommendations being considered by the ABA and banks. Any changes to the BCoP need to be approved by ASIC before adoption.
- Potential reinvigoration and/or sufficient support to progress the Federal Government’s proposal to remove responsible lending obligations from ADIs, first put forward in September 2020. The possible changes have the effect of enhanced access to credit for consumers, and Suncorp Bank only being subject to APRA’s lending standards, and not the National Consumer Credit Protection Act 2009, administered by ASIC.
- Progression by APRA of the modernisation of the prudential architecture. While changes to the design of the regulatory framework are intended to make it clearer, simpler and more adaptable for institutions, some duplication and complexity may be created over the next couple of years which could add uncertainty to Suncorp’s compliance with certain prudential requirements.
- Suncorp is currently, and has previously been, subject to other specific regulator activities (including reviews, information requests, investigations, and assistance with inquiries) across its banking and insurance businesses. This is due to the company’s diverse offering of financial services products and breadth of operations. It is expected that Suncorp will be involved in a variety of supervisory activities of regulators in future.

2.3 Market risk

The Suncorp Group is exposed to market risk as a consequence of both its investments and trading activities in financial markets and through the asset and liability management of its balance sheet, both globally and in Australia and New Zealand, where the Suncorp Group conducts its banking and insurance business.

The Suncorp Group is exposed to losses (including from its investment portfolios) arising from adverse movements in levels and volatility of market factors, including interest rates, foreign exchange rates, equity prices, property prices and credit spreads.

Those risks include, but are not limited to:

- asset/liability risk, the risk that the value of an investment portfolio will decrease relative to the value of the liabilities as a result of fluctuation in investment factors including share prices, interest rates, credit spreads, counterparty default, exchange rates or commodity prices;
- liquidity risk, including that assets cannot be sold without a significant impairment in value; and
- inflation risks, i.e. the risk that inflation levels rise and consequently, claims are higher than expected.

These risks can adversely affect the Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects, and can also affect counterparties and markets in which the Suncorp Group deals and may result in contagion or systemic risk to financial systems and networks.

Such risks can be heightened during periods of high volatility, market disruption and periods of high inflation and higher interest rates, which could adversely affect the Suncorp Group's businesses, financial performance, capital resources and financial condition. The COVID-19 pandemic has, and could again, severely impact global, regional and national economies and markets. The conflict between Russia and Ukraine has the potential to escalate further, with potential adverse impacts on markets and a downturn in the global economy. A shock to, or deterioration in, the global economy could result in heightened market volatility and disruption, currency and interest rate fluctuations and operational disruptions that negatively impacts Suncorp.

The financial services industry and capital markets have been, and may continue to be, adversely affected by market volatility and uncertainty as to the outlook for global economic conditions. The COVID-19 pandemic, environmental and social issues (including emerging issues such as payroll compliance and modern slavery risk), costs and availability of capital, shifts in global commodity and energy prices, supply shortages, inflationary pressures, expected slowing economic growth, central bank monetary policy (including raising interest rates), consumer and business confidence, outlook and investment, rising costs of living, tightening labour markets, the risk of asset bubbles as a result of changing monetary and fiscal policy, geopolitical tension in the Asia-Pacific region, the Russia/Ukraine conflict (including the sanctions against Russia which are also impacting the global economy) and the introduction of tariffs and other protectionist measures by various countries such as the US and China (including as a result of tensions between the US and China), in particular, may continue to contribute to market volatility and economic uncertainty both domestically and globally.

Interest rate risk

Interest rate risk is the risk of financial loss arising from adverse fluctuations in interest rates and/or unforeseen interest rate settings. These may have a material adverse impact on the financial performance and position of the Issuer.

Movements in interest rates may require the Issuer to post collateral to support derivative instruments, which may impact the Issuer's liquidity and may have a material adverse impact on the financial performance and position of the Issuer.

Fluctuations in interest rates can also impact:

- the rate at which certain liabilities are discounted, causing the liabilities in respect of the Issuer's annuity products to vary. The Issuer values annuity liabilities at a risk-free discount rate whereas some assets, and in particular, fixed income assets are valued at a margin to the relevant interest rate benchmark (usually the swap rate) which is a higher discount rate. Accordingly, the balance sheet value of these liabilities are more sensitive to interest rate movements than the value of assets. This may lead to losses where there is a reduction in interest rates as the value of liabilities will increase more than the value of assets;
- the Issuer's investment portfolio, which may lead to changes in the Issuer's income or demand for products; and
- the Issuer's funding costs.

Inflation risk

Inflation levels across the globe are increasing due to the ongoing global supply chain disruptions, elevated energy prices, consumer demand spikes, wage inflation from labour shortages due to lower immigration levels, supply shortages from global production disruptions due to the COVID-19 pandemic and production limits in certain countries to meet emission targets. As a result, central banks across the globe have started to increase short-term interest rates and make adjustments to other monetary policy settings. Persistent high inflation levels could impact Suncorp Group's claims costs and reserves as a result of inflationary pressures in the materials and goods insured as well as labour costs to deliver repairs.

2.4 Decline in asset markets

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

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

In particular, the residential, commercial and rural property lending sectors are important to the Suncorp Group's banking operations. A material decline in property prices in Australia, or other markets where the Suncorp Group's customers do business, could decrease the amount of new lending the Suncorp Group's banking operations are able to write and/or increase the losses that the Suncorp Group's operations may experience from existing loans and investments. This could adversely affect the Suncorp Group's balance sheet and ability to offer continued product suite.

2.5 Funding and liquidity risk

From time to time, financial institutions (including the Suncorp Group) are subject to global credit and capital market conditions, and may experience extreme volatility, disruption and/or decreased liquidity.

If market conditions deteriorate due to economic, financial, political or other reasons, the Suncorp Group's funding costs may be adversely affected and its liquidity and its funding of lending activities may be constrained. There is no assurance that the Suncorp Group will be able to obtain adequate funding at acceptable prices or at all.

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

2.6 Strategic risks

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

Competitive environment

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

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

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

The level of competition continues to increase with consolidation across the global financial services industry creating competitors with a broader range of products and services, increased access to capital, greater efficiency and enhanced pricing power. There is also increased competition from non-traditional financial service companies, such as technology companies offering financial services products. These non-traditional financial service companies can disrupt traditional business models by offering more data driven and comprehensive needs based offerings. As a result, the Suncorp

Group could lose market share or be forced to reduce prices in order to compete effectively, particularly if both traditional and non-traditional industry participants engage in aggressive growth strategies or severe price discounting.

Dependence on the Australian and New Zealand economies

As the Suncorp Group currently conducts its banking and insurance business in Australia and New Zealand, its performance is influenced by the level and cyclical nature of business activity in Australia and New Zealand. This in turn, is impacted by both domestic and international economic and political events, including the COVID-19 pandemic and international hostilities, tension or geopolitical instability. The ongoing conflict between Russia and Ukraine has the potential to escalate further, resulting in elevated geopolitical instability, further trade restrictions, disruptions to global supply chains, increases in energy prices and flow-on global inflationary impacts, with potential adverse impacts on markets and a downturn in the global economy. A shock to, or deterioration in the global economy is likely to impact the economies of Australia and New Zealand in a way that negatively impacts Suncorp.

Economic growth in Australia and New Zealand is experiencing heightened uncertainty, due in large part to measures that were used to address the COVID-19 pandemic and the resulting higher levels of inflation and interest rates. There is a risk that a large contraction in economies could lead to corporate bankruptcies, a rise in unemployment and an increase in household financial stress.

A weakening in the Australian and/or New Zealand economies, and/or in the economic and the flow on economic impacts from other countries, may have an adverse effect on the Suncorp Group's financial condition and on the results of its operations. This includes reduced demand for products and services but also lower investment returns and increased costs, which could adversely affect the Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

The electoral cycles in Australia and New Zealand may lead to new regulatory, taxation or other legislative proposals. If enacted, these may impact the underlying performance of the Suncorp Group.

Execution of strategic initiatives

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

2.7 Change in credit ratings

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

The credit ratings assigned to the Suncorp Group by rating agencies are based on an evaluation of a number of factors, including financial strength, support from members of the Suncorp Group and structural considerations regarding the Australian financial system. A credit rating downgrade could be driven by the occurrence of one or more of the other events identified as risks in this section 2 or by other events, including changes to the methodologies used by the rating agencies to determine ratings or as a result of the sale of Suncorp Bank.

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

2.8 Reputational risk

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

There are various potential sources of reputational damage including failing to comply with legal and regulatory requirements (including without limitation, money laundering laws, sanctions legislation or privacy laws), technology failures, security breaches or failing to comply with information security policies, risk management failures, ethical issues, litigation (including class action proceedings), improper sales and trading practices, improper conduct of companies in which it holds strategic investments, and potential conflicts of interest. The Suncorp Group's reputation could be adversely affected by the actions of the financial services and allied industries in general or from the actions of its customers and counterparties.

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

2.9 Credit risk

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

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

Measures introduced to control the spread of the COVID-19 pandemic in Australia and New Zealand and higher inflationary pressures have had, and could continue to have, a substantial negative impact on economic activity introducing additional credit risk in a range of customer segments in the near-term. The duration and magnitude of this downturn is highly uncertain. Additional credit provisions have been raised for those products and sectors more exposed to these risks due to the change in market conditions.

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

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

2.10 Insurance risk

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

A resurgence of the COVID-19 pandemic or other future pandemics could result in the Suncorp Group experiencing increased claims activity in a variety of industries from many of the Suncorp Group's policyholders at the same time. The Suncorp Group could also face increased costs associated with claims under its policies, an increased number of customers experiencing difficulty paying premiums or policies not being able to lapse for specific periods of time or situations. A resurgence of the COVID-19 pandemic or other future pandemics could materially affect risk profiles of customers and the ability of the Suncorp Group to write new business.

Estimation and adequacy of claims provisions

There is a risk that Suncorp Group's provisions for insurance liabilities may prove to be inadequate to cover its ultimate liability under policies written by its insurance subsidiaries. Within the Insurance Australia and New Zealand functions, insurance provisions for outstanding claims and unearned premiums are maintained to cover the estimated ultimate liability for claims, including claims

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

To satisfy its reporting obligations to APRA, the Suncorp Group is required to test on a quarterly basis the adequacy of unearned premium provisions net of acquisition costs to ensure they are sufficient to cover the cost of future claims relating to them at an appropriate probability of adequacy. If the unearned premium provisions are insufficient the Suncorp Group may be required to write-off deferred acquisition costs and/or strengthen its provisions. This test is significantly impacted by the seasonality of natural hazard events, with claims estimates typically increasing in the lead up to the peak natural hazard season (October through to March).

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

Catastrophes

Through its insurance businesses, the Suncorp Group deals with claims arising from catastrophic events predominantly in the Australia and New Zealand regions including, but not limited to, cyclones, earthquakes, wind, hail, fires, floods, volcanic activity and bushfires, in addition to man-made disasters. It is not possible to predict the timing or severity of catastrophes. There has been an increased frequency of natural disasters globally in recent years and it is expected this trend will continue in the medium to long term. The increase in frequency and severity of natural disasters could lead to an increase in claims from the Suncorp Group's customers, an increase in premiums, which could result in a decrease in business and could substantially alter the Suncorp Group's risk profile and ability to write business. Claims arising out of catastrophes can be substantial and could adversely affect the Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects. The Suncorp Group manages its exposure to catastrophes through the purchase of catastrophe reinsurance, which is required to meet regulatory requirements. It is subject to the same reinsurance risks as outlined below.

Climate change may impact the possibility and severity of these events occurring and thereby have an impact on claims volumes and subsequently, the cost of claims.

Reinsurance

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

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

There are risks associated with the determination of proper levels of reinsurance protection, the cost of such reinsurance and the financial security of reinsurers. While modelling is used to assist with determining adequate coverage, there can be no assurance that the Suncorp Group's current

reinsurance coverage is adequate, that it matches the underlying risks assumed or that increases in reinsurance costs will be able to be fully recovered through increased premium rates. The Suncorp Group may be exposed to risks arising from the misalignment of its insurance policy wordings and reinsurance coverage, which could also lead to inadequate coverage.

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

2.11 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes and systems, or errors by people, or from external events. As a financial services organisation, the Suncorp Group is exposed to a variety of operational risks such as processing failures, failure to meet commitments to customers (including claims processing) or employees, workplace safety, project and change management, compliance, business continuity and crisis management, key person dependencies, internal and external fraud and other dishonest activities, data risk, information and systems resilience as well as reliance on partners, suppliers and supply chains, marketplace violations, anti-money laundering / counter-terrorism financing and outsourcing. While the Suncorp Group has adopted policies and procedures to control exposure to, and limit the extent of, these risks, there are inherent limitations in any risk management control system and control breakdowns can occur.

Market forces, heightened competition, changing industry practice, COVID-19 and greater reliance on digital capability has led to a rapid and significant change in the way the Suncorp Group operates. This exposes the Suncorp Group to additional operational risk, including technology related risks (such as cyber security threats), supply chain risks, employee health and safety related risks and increased risk of fraud. In addition, organisational change, structural shifts and response to extreme weather events can result in redistribution of resources and priorities that can present additional business challenges.

Additionally, the Suncorp Group's financial position may be adversely impacted if certain suppliers (including its counterparties, suppliers of IT services, and other suppliers of goods and services) are unable to successfully implement business continuity plans during an operational risk event, or if any such suppliers are unable to continue as going concerns as a result of any economic downturn.

The Suncorp Group relies, to a significant degree, on information technology systems to obtain and maintain its data. Most of the Suncorp Group's daily operations are computer based and its information technology systems are essential to maintaining effective communication with customers, protecting customer and business data and keeping pace with the competitive environment.

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

Retain and recruit staff

The Suncorp Group's success, including its ability to deliver on its strategy, is dependent on the attraction and retention of quality, skilled and capable employees. The evolving external landscape, including COVID-19 and the competition for capability, has led to increased attrition and has impacted the ability of financial and insurance sector employers to source new talent. An inability to attract the necessary capabilities may impact the Suncorp Group's financial performance and customer outcomes. Changes in industrial relations legislation and regulation may also impact the Suncorp Group's ability to attract and retain quality staff.

Additionally, the Suncorp Group may need to make changes to its organisational structure to ensure that the Group's strategy can be delivered. There is a risk that such changes will take time to fully embed and mature, or that the anticipated benefits of such changes may not be fully realised or at all. This may result in loss of staff, reduction in staff engagement and operational issues which could adversely impact on performance or result in risk issues that may take time to identify.

Group risk

As a result of the structure of the Suncorp Group, there are interdependencies between areas across the Suncorp Group. Business areas within the Suncorp Group may be impacted by initiatives or strategies which rely on other areas through the shared use of centralised functions (e.g. Information Technology, Human Resources, Finance, Customer Advocate and Risk).

2.12 Model risk

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

2.13 Accounting estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the amounts reported in the financial statements.

Significant estimates, judgements and assumptions considered material to the financial statements are discussed in the following notes of the consolidated interim financial statements for the period ended 31 December 2022:

- General insurance outstanding claims liabilities (refer to note 4).
- Provision for impairment on financial assets (refer to note 6.3).
- Valuation of financial instruments (refer to note 8).
- Contingent assets and liabilities (refer to note 13).

A number of issues are driving global economic uncertainty, including geopolitical affairs, natural disasters, inflation, increasing interest rates and aftermath of the COVID-19 pandemic. This evolving global uncertainty has resulted in emergence of risks in the form of changes in consumer behaviour, disrupted supply chains, staff shortages and increased market volatility. The estimation and judgement applied in the preparation of consolidated interim financial statements, where relevant, is disclosed in the notes to the consolidated interim financial statements.

The significant judgements made by management in applying the Suncorp Group accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial report as at and for the financial year ended 30 June 2022.

2.14 Structural subordination

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

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

2.15 Mergers, acquisitions and divestments

The Suncorp Group regularly reviews its portfolio of business to optimise shareholder value and as a result the Suncorp Group may engage in merger, acquisition or divestment activities that support or accelerate the Suncorp Group's strategic plan. These activities may involve entering new markets, exiting markets/products, and certain businesses and/or offering third party manufactured products or expanding the Suncorp Group's current product suite and may affect the Suncorp Group's risk profile through changes to, or the relative importance of, the geographies and/or product types to which it has exposures. While the Suncorp Group recognises that benefits may arise from merger, acquisition or divestment activities, significant risks also exist in both the execution and implementation of such activities.

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

Mergers, acquisitions or divestments may require changes to operations or personnel as well as significant resources and attention from the Suncorp Group's management. Depending on the type of transaction, it could take a substantial period of time for the Suncorp Group to realise the financial benefits of the transaction, if any. During the period immediately following this type of transaction, the Suncorp Group's operating results may also be adversely affected. Changes in ownership and management may result in impairment of relationships with employees, customers, suppliers and partners of the acquired business.

Separation (or integration) of a divested (or acquired) business can be complex and costly, sometimes including the separation (or combining of) relevant accounting and data processing systems, and management controls, as well as managing relevant relationships with employees, customers, regulators, counterparties, suppliers and other business partners. Separation (or integration) efforts could create inconsistencies in standards, controls, procedures and policies, as well as diverting management attention and resources. This could adversely affect Suncorp Group's ability to conduct its business successfully and impact Suncorp Group's operations, reputation, financial performance, financial position, capital resources and prospects. Additionally, there can be no assurance that employees, customers, counterparties, suppliers and other business partners of retained (or newly acquired) businesses will remain post-divestment (or post-acquisition), and the loss of employees, customers, counterparties, suppliers and other business partners could adversely affect Suncorp Group's operations, reputation, financial performance, financial position, capital resources and prospects.

As a target in any future merger, acquisition or divestment activity, the issues identified above may also be relevant. Where the Suncorp Group decides to divest a business or asset, this may involve a loss against book value, particularly of any goodwill or other intangibles.

The Suncorp Group's failure to adequately manage the risks associated with any mergers, acquisitions or divestments could adversely affect the Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects. See section 2.16 for further risks specific to divestments.

2.16 Risks specific to divestments

In addition to the risks described in 'Mergers, acquisitions and divestments' above in section 2.15, there are specific risks in relation to businesses that have been divested by the Issuer.

Following a comprehensive strategic review, the Issuer announced on 18 July 2022, it has signed a share sale and purchase agreement with Australia and New Zealand Banking Group Limited ("**ANZ**") to sell Suncorp Bank for cash consideration of \$4.9 billion, subject to customary completion adjustments (the "**Transaction**"). As announced to the market on 12 December 2022, ANZ lodged a merger authorisation application with the Australian Competition and Consumer Commission ("**ACCC**") for the purchase of Suncorp Bank. The ACCC have announced an indicative timeline for consideration of the application with the ACCC's determination expected by 12 June 2023. ANZ's authorisation application to ACCC is the first step in the approval process, with approvals also required from the Federal Treasurer and the Queensland Government in relation to the *State Financial Institutions and Metway Merger Act 1996* (Qld). There is no guarantee that such approvals will be granted.

The Transaction may not proceed at all or may be delayed. If it proceeds, the Transaction and associated separation activities may cause disruptions to operations, diversion of management resources and may take longer or cost more than expected. There is also a risk that as a result of adjustments the final purchase consideration could be lower than expected, or that separation and transaction costs are higher than expected, all of which could adversely affect Suncorp Group's businesses, financial performance and position. As part of the sale of Suncorp Bank, the Suncorp Group provided certain remediation obligations, warranties and indemnities in favour of ANZ. The outcome and costs associated with any warranty or indemnity claims relating to the Transaction remain uncertain.

As part of the sale of Suncorp Life & Superannuation Limited (“**SLSL**”), the Suncorp Group provided warranties and indemnities to SLSL and TAL Dai-ichi Life Australia Pty Ltd (“**TAL**”). These included warranties, indemnities, and remediation obligations regarding the provision of services and products in accordance with terms and conditions of the contractual arrangements. Any potential outflows relating to the indemnities remain uncertain.

As part of the sale of Capital S.M.A.R.T. Repairs Australia Pty Ltd (“**Capital S.M.A.R.T**”) and ACM Parts Pty Ltd (“**ACM Parts**”), the Suncorp Group provided warranties in the respective Share Sale and Purchase Agreements entered into with AMA Group Limited (“**AMA**”). As at 31 December 2022, no claims are outstanding and the period within which claims may be commenced has expired, except for tax warranties.

As part of the sale of Resilium Pty Ltd (“**Resilium**”), the Suncorp Group provided warranties in the respective Share Sale and Purchase Agreements entered into with AMA Group Limited (AMA). As at 31 December 2022, no claims are outstanding and the period within which claims may be commenced has expired, except for tax warranties.

As part of the sale of SPSL to LGIAsuper, Suncorp Life Holdings Limited provided warranties and indemnities to LGIA Trustee, as trustee of LGIAsuper. These included warranties, indemnities, and remediation obligations regarding the provision of services and products in accordance with the terms and conditions of the contractual arrangements. Any outflows relating to the warranties and indemnities remain uncertain.

As part of the sale of Suncorp’s 50% stake in RACT Insurance to Royal Automobile Club of Tasmania, the Group provided certain warranties relating to title and capacity and a tax indemnity as part of the Share Purchase Agreement. Any potential outflows relating to the indemnity remain uncertain.

2.17 Litigation and regulatory proceedings

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

The Suncorp Group has ongoing discussions with key regulators on industry-wide matters and matters specific to the Suncorp Group.

The Suncorp Group is currently undertaking a number of programs of work to resolve prior issues that in some cases impacted customers. An assessment of the Suncorp Group’s likely loss has been considered on a case-by-case basis. To the extent that the potential impact can be reliably estimated the amount has been provisioned. Contingent liabilities may exist in respect of actual or potential claims, compensation payments and/or remediation payments (including interest) identified as part of these existing programs of work or as part of future programs responding to regulatory or internal reviews. The outcomes and total costs associated with these reviews and possible exposures remain uncertain.

As disclosed in the consolidated annual financial report as at 30 June 2022 a class action has been filed against AAI Limited, MTAI Limited and a former Suncorp Group entity Suncorp Life & Superannuation Limited (SLSL) on behalf of persons who purchased add-on insurance products sold with the purchase or lease of motor vehicles at car dealerships between 1 May 2006 and 30 June 2018. The Issuer is defending this matter. Provisions for legal, investigation and other defence costs have been recognised in the consolidated financial statements of the Suncorp Group as at 31 December 2022. At this stage of the proceedings it is currently not possible to determine the ultimate financial impact of this matter, if any.

Following the onset of the COVID-19 pandemic, the construction of various business interruption wordings has been tested through litigation including two industry test cases. The first industry test case considered the validity of certain policy exclusions referencing the Quarantine Act. The Court determined that insurers could not rely on these exclusions. The second industry test case considered whether the insuring clauses for these policies respond, including the construction of Infectious Diseases, Prevention of Access, and adjustments clauses.

The Full Federal Court determined that in most instances the indemnity clauses considered did not trigger and therefore the insurers were not liable to indemnify the policyholders for COVID-19 related business interruption claims. On 14 October 2022, the High Court of Australia rejected the Special Leave applications to appeal the Full Federal Court decision, resulting in confirmation of the Full Federal Court decision.

Other industry participants have discrete litigation and/or class actions on foot relating to business interruption and, while settled in the main, there is some outstanding litigation in relation to the second industry test case. Accordingly, there may be additional judicial determinations which may be of broader industry application and that could impact future exposures for the Suncorp Group. The potential impact of these matters is uncertain and has been considered in the recognition of claims provisions and risk margins in the General Insurance outstanding claims liabilities as set out in note 4 of the 1H23 Issuer Half Year Report.

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

2.18 Cyber risk

The Suncorp Group handles a considerable amount of personal and confidential information about its customers and its operations. The Suncorp Group has a significant online presence and business operations are reliant upon key systems, which are supported by a combination of in-house expertise and outsourced partners. There is a risk that these key systems, or services the Suncorp Group uses or is dependent upon, might fail, including because of unauthorised access and use. Failure to adequately collect and secure personal data in line with local and international privacy laws can expose the Suncorp Group to material reputational damage, fines and penalties.

The Suncorp Group's information technology systems are subject to information security risks. Cyber-attacks are constantly evolving, becoming increasingly sophisticated, have the potential to cause financial system instability and could result in serious disruption to provision of financial services, or compromise data confidentiality and privacy. There has been a global increase in cybercrime since the COVID-19 pandemic, including cybercrime targeting the Suncorp Group and its customers, to make financial gains by exploiting vulnerable individuals and businesses, or by targeting financial institutions directly.

The continuing evolution of cyber security threats and their increasing sophistication requires constant vigilance and continuous improvement and investment in security capabilities, including systems and personnel in line with industry and regulatory requirements.

A successful cyber security attack may occur, which could significantly disrupt business operations and/or result in theft or loss of data and a compromise to data confidentiality and privacy, loss of customers, breach of privacy laws, damage to information technology systems, reputation damage and/or regulatory or legal action (which may include class actions). This could adversely affect the Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

2.19 Environmental risk and Climate Change

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

The Suncorp Group may also be affected by the risk associated with the transition to a low-carbon economy and may result in reputational and operational risk as well as changes in demand for the Suncorp Group's financial products and services. The Suncorp Group may be exposed to liability risk as a result of any inability to transition to a low-carbon economy.

Suncorp has included its Suncorp Climate-Related Financial Disclosures within the FY22 Issuer Annual Report. See also 'Catastrophes' under Section 2.10.

2.20 Customer remediation risk

Operational risk, technology risk, conduct risk or compliance risk events have required, and could in the future require, the Suncorp Group to undertake customer remediation activity. The Suncorp Group relies on a large number of policies, processes, procedures, systems and people to conduct its business. Breakdowns or deficiencies in one of these areas (arising from one or more operational risk, technology risk, conduct risk or compliance risk events) have resulted, and could in the future result in, adverse outcomes for customers which the Suncorp Group is required to remediate. In response to both regulatory and internal reviews, the Suncorp Group is currently undertaking a number of programs of work in both Australia and New Zealand to resolve prior issues that in some cases have impacted customers.

These events and programs could require the Suncorp Group to incur significant remediation costs (which may include compensation payments to customers and the costs associated with correcting the underlying issue) and may result in reputational damage.

There are significant challenges and risks involved in customer remediation activities. The Suncorp Group's ability to investigate an adverse customer outcome that may require remediation could be impeded if record keeping is inadequate. Depending on the nature of the issue, it may be difficult to quantify and scope the remediation activity.

2.21 Failure of risk management strategies

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

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

If any of the Suncorp Group's risk management processes and procedures prove ineffective or inadequate or are otherwise not appropriately implemented, the Suncorp Group could suffer unexpected losses and reputational damage which could adversely affect the Suncorp Group's businesses, financial performance, capital resources, financial condition and prospects.

Terms of the Notes

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

1 Form of Notes

1.1 Constitution under Deed Poll

Suncorp Wholesale Subordinated Notes 4 (the **Notes**) are direct, unsecured, subordinated debt obligations of the Issuer constituted by, and owing under, the Deed Poll.

1.2 Form

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

1.3 Issuance in Series

- (a) The Issuer may from time to time issue one or more Series of Notes under these Terms.
- (b) Each Series may comprise one or more Tranches, provided that the requirements of APRA for Notes to be eligible to fund Tier 2 Capital of a Regulated Entity within the Suncorp Group are met in respect of each Tranche.
- (c) Each Tranche is the subject of a Pricing Supplement which supplements, amends or replaces these Terms. In the event of any inconsistency between these Terms and the relevant Pricing Supplement, the relevant Pricing Supplement prevails.
- (d) These Terms apply separately to the Notes of each Series and references in these Terms to the 'Notes' is a reference to the Notes of the relevant Series.

1.4 Types of Notes

A Note may be:

- (a) a Fixed Rate Note;
- (b) a Floating Rate Note; or
- (c) a Fixed-to-Floating Rate Note,

in each case, as specified in the relevant Pricing Supplement.

1.5 Face Value

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

1.6 Currency

The Notes are denominated in Australian dollars.

1.7 No certificates

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

2 Status and subordination

2.1 Status

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

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

2.2 Solvency test

When the Issuer is not in a winding-up:

- (a) no amount is due and payable by the Issuer in respect of the Notes unless, at the time of, and immediately after, the payment, the Issuer is, and would be, Solvent (**Solvency Condition**). A certificate signed by the Issuer, two authorised signatories of the Issuer, its auditor or, if the Issuer is being wound up, its liquidator, as to whether the Issuer is Solvent at any time is (in the absence of wilful default, bad faith or manifest error) conclusive evidence of the information contained in the certificate and will be binding on the Holders. In the absence of such a certificate, Holders are entitled to assume (unless the contrary is proved) that the Issuer is Solvent at the time of, and will be Solvent immediately after, any payment in respect of the Notes; and
- (b) if all or any part of an amount that otherwise would be due and payable under these Terms is not due and payable because at the time of, and immediately after, the payment the Issuer would not be Solvent then, subject to clause 3.6, Holders have no claim or entitlement in respect of such non-payment and such non-payment does not constitute an Event of Default.

2.3 Subordination in winding-up

The claims of Holders against the Issuer in respect of Notes will, in a winding-up of the Issuer, be subordinated in right of payment to the claims of all Senior Ranking Creditors as provided in clause 10.

2.4 Not deposits, not insurance policies and not guaranteed

The Notes are not:

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

2.5 Effect of Non-Viability Trigger Event

If a Non-Viability Trigger Event occurs, despite any other provision in these Terms (including, for the avoidance of doubt, whether or not a Holder Conversion Notice has been given), Notes will be Converted into Ordinary Shares as provided in clause 6, or if clause 6.5 applies, Written-Off.

3 Interest

3.1 Interest

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

Interest is payable in arrear on each Interest Payment Date.

3.2 Interest Rate determination

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

3.3 Calculation of Interest Rate on Fixed Rate Notes

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

$$\text{Interest Rate} = (\text{Fixed Rate} + \text{Margin})$$

and expressed as a percentage per annum, where:

Fixed Rate means the rate specified in, or determined in accordance with the relevant Pricing Supplement.

3.4 Calculation of Interest Rate on Floating Rate Notes

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

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

and expressed as a percentage per annum, where:

Bank Bill Rate means:

- (a) subject to paragraph (b) below:
 - (i) for the Interest Period, the rate (expressed as a percentage per annum) designated "BBSW" in respect of prime bank eligible securities having a tenor of 3 months, which ASX Benchmarks Pty Limited (or its successor as administrator of that rate) publishes through information vendors at approximately 10:30am Sydney time (or such other time at which such rate is accustomed to be so published) on the first Business Day of the Interest Period; and
 - (ii) if the Issuer determines that such rate as is described in paragraph (i) above:
 - (A) is not published by midday (or such other time that the Issuer considers appropriate on that day); or
 - (B) is published, but is affected by an obvious error,
such other rate (expressed as a percentage per annum) that the Issuer determines having regard to comparable indices then available; and
- (b) if the Issuer determines that a Rate Disruption Event has occurred, then, subject to APRA's prior written approval, the Issuer:
 - (i) shall use as the Bank Bill Rate such Replacement Rate as it may determine;
 - (ii) shall make such adjustments to these Terms as it determines are reasonably necessary to calculate Interest in accordance with such Replacement Rate; and
 - (iii) in making the determinations under paragraphs (i) and (ii) above:
 - (A) shall act in good faith and in a commercially reasonable manner;
 - (B) may consult with such sources of market practice as it considers appropriate; and
 - (C) may otherwise make such determination in its discretion;

Holders should note that APRA's approval may not be given for any Replacement Rate it considers to have the effect of increasing the rate of Interest contrary to applicable prudential standards

Rate Disruption Event means that, in the Issuer's opinion, the rate described in paragraph (a) of the definition of "Bank Bill Rate":

- (a) has been discontinued or otherwise ceased to be calculated or administered; or
- (b) is no longer generally accepted in the Australian market as a reference rate appropriate to floating rate debt securities of a tenor and interest period comparable to that of the Notes; and

Replacement Rate means a rate other than the rate described in paragraph (a) of the definition of "Bank Bill Rate" that is generally accepted in the Australian market as the successor to the Bank Bill Rate, or if the Issuer is not able, after making reasonable efforts, to ascertain such rate, or there is no such rate:

- (a) a reference rate that is, in the Issuer's opinion, appropriate to floating rate debt securities of a tenor and interest period most comparable to that of the Notes; or
- (b) such other rate as the Issuer determines having regard to available comparable indices.

3.5 Calculation of Interest Rate on Fixed-to-Floating Rate Notes

The Interest Rate in respect of Interest on a Fixed-to-Floating Rate Note is the rate (expressed as a percentage per annum) determined as:

- (a) for the Fixed Rate Period, in accordance with clause 3.3 as if the Note were a Fixed Rate Note;
- (b) for the Floating Rate Period, in accordance with clause 3.4 as if the Note were a Floating Rate Note.

3.6 Cumulative Interest

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

- (a) any amount of Interest which is not paid by virtue of clause 2.2(a), or payment of which is improperly withheld or refused when due and payable, accumulates and accrues Interest at the Interest Rate (as if it were an amount of Face Value) as provided in this clause 3; and
- (b) any amounts not paid by virtue of clause 2.2(a), and any amount accumulating under this clause 3.6, remains a debt owing and is due and payable:
 - (i) in the case of Interest, on the first Interest Payment Date; and
 - (ii) in the case of any other amount, on the first date, on which amounts may be paid in compliance with the Solvency Condition.

3.7 Optional deferral of interest

- (a) The Issuer may, on any Optional Interest Payment Date, in its absolute discretion defer the payment of the interest on the Notes which would otherwise be payable on such date.
- (b) The Issuer shall notify the Holders as soon as practicable (and in any event within ten Business Days after any Optional Interest Payment Date in respect of which payment is deferred) of any Optional Interest Payment Date on which the Issuer elects to defer the payment of interest pursuant to this clause 3.7, but failure to give such notice (an **Interest Deferral Notice**) shall not prejudice the right of the Issuer not to pay interest pursuant to this clause 3.7.
- (c) Notwithstanding any other provision in these Terms, the failure to make any payment which for the time being is not made on the Notes by virtue of clause 3.7(a) does not constitute a default on the part of the Issuer for any purpose (including, but without limitation, clause 9) and does not give any Holder the right to accelerate repayment of the Notes.

3.8 Optional and compulsory payments of Arrears of Interest

- (a) Any Arrears of Interest (together with any corresponding Additional Interest Amounts) may be paid in whole or in part at any time upon the expiry of not less than 14 days' notice to such effect given by the Issuer to the Holders in accordance with clause 17.1 (an **Arrears of Interest Payment Notice**).
- (b) All Arrears of Interest (together with all corresponding Additional Interest Amounts) will, subject to the Solvency Condition being satisfied, automatically become immediately due and payable in whole upon the earliest of the following dates:
 - (i) the date on which any dividend or interest payment is paid or made on any Junior Ranking Instruments or Relevant Term Subordinated Instruments (other than any such payment on a Relevant Term Subordinated Instrument where the terms of that instrument do not enable the Issuer to defer, pass on or eliminate the relevant payment on such Relevant Term Subordinated Instrument, which includes the Suncorp Wholesale Subordinated Notes 1 and other such instruments on equivalent terms);
 - (ii) the date on which the Issuer voluntarily redeems, purchases or acquires, or commences and does not abandon any public offer to voluntarily redeem, purchase or acquire, any Relevant Term Subordinated Instruments or Junior Ranking Instruments;
 - (iii) the date on which a Winding-Up Default occurs; or
 - (iv) the date fixed for any Redemption or Resale of the Notes or the date fixed for any purchase of the Notes by or on behalf of the Issuer or any member of the Suncorp Group pursuant to these Terms.

3.9 Additional Interest Amounts

- (a) Interest will accrue on each amount of Arrears of Interest at the Interest Rate from time to time applicable to the Notes, and such amount of interest (the **Additional Interest Amount**) will become due and payable pursuant to clause 3.8 and shall be calculated by the Issuer by applying the Interest Rate from time to time applicable to the relevant Notes to the amount of Arrears of Interest and multiplying the resulting product by the relevant Day Count Fraction.
- (b) All Additional Interest Amounts accrue and are payable on the same basis as interest on a Note, subject to deferral on the same basis as interest under clause 3.7(a).
- (c) All Additional Interest Amounts accrued up to any Interest Payment Date and not paid on such Interest Payment Date shall be added, for the purpose only of calculating the Additional Interest Amounts accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date.

4 General provisions applicable to Interest

4.1 Calculation of Interest amount

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

Subject to clause 4.5, the amount of Interest payable on each Note for an Interest Period is calculated according to the following formula:

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

4.2 Notification of Interest Rate, Interest payable and other items

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

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

4.3 Determination final

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

4.4 Calculations

For the purposes of any calculations required under these Terms:

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

4.5 Broken periods

If an Interest amount is to be calculated in respect of Interest accruing on a Note for a period other than an Interest Period, or in respect of the first Interest Period, such Interest shall be calculated by multiplying the Interest Rate applicable to the Notes by the amount accruing Interest and multiplying the product by the Day Count Fraction in respect of that period.

4.6 Calculation of accrued Interest in other cases

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

5 Redemption, Resale and purchase

5.1 Scheduled Redemption

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

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

5.2 Early Redemption or Resale: Tax Event or Regulatory Event

If a Tax Event or Regulatory Event occurs in respect of a Series, the Issuer may, subject to clause 5.6, Redeem or Resell all (but not some) Notes of that Series.

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

Subject to clause 5.6, the Issuer may Redeem or Resell all or some of the Notes of a Series on any Scheduled Optional Redemption or Resale Date in respect of the Notes of that Series.

5.4 Amount payable on Early Redemption Date

Where a Note is to be Redeemed early, the amount payable on the Early Redemption Date is its Face Value (together with, pursuant to clause 4, any Interest, Arrears of Interest and Additional Interest Amounts accrued to (but excluding) the Early Redemption Date).

5.5 Partial Redemptions or Resales

- (a) If only some of the Notes of a Series are to be Redeemed or Resold under clause 5.3, the proportion of the Notes of the Series that are to be Redeemed or Resold will be specified in the Early Redemption Notice given under clause 5.6(a) or the Resale Notice given under clause 5.6(a) as the case may be, and the Issuer will endeavour to treat Holders on an approximately proportionate basis.
- (b) Subject to clause 5.5(a), where Notes of a Series are to be Redeemed or Resold under clause 5.2 or clause 5.3, the Issuer may specify which of Redemption and Resale applies to a particular Note. Without limiting the foregoing:
 - (i) the Issuer may select any one or more of Redemption or Resale to apply to the Notes of a Series held by a Holder; and
 - (ii) the Issuer may select a different combination of Redemption and Resale in respect of Notes of a Series held by different Holders,but otherwise the Issuer will endeavour to treat Holders on an approximately proportionate basis.

5.6 Conditions to early Redemption or Resale

- (a) The Issuer must give at least 15 Business Days (and no more than 70 Business Days) notice to the Registrar and the relevant Holders of any early Redemption of Notes of a Series (**Early Redemption Notice**) or Resale of Notes of a Series (**Resale Notice**) in accordance with this clause 5.
- (b) An Early Redemption Notice or Resale Notice must be given in accordance with clause 17.1 and the Deed Poll and specify the Early Redemption Date or Resale Date, which must be a Business Day.
- (c) The Issuer may only Redeem Notes of a Series under clause 5.2 or 5.3 if either:
 - (i) prior to or concurrently with the Redemption, the Issuer replaces the Notes of the Series with Relevant Subordinated Instruments or Ordinary Shares and the replacement is done under conditions that are sustainable for the income capacity of the Issuer; or
 - (ii) the Issuer obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the Suncorp Group, that the Issuer does not have to replace the Notes of the Series.
- (d) The Issuer may only Redeem or Resell Notes under clause 5.2 or 5.3 if APRA has given its prior written approval of the Redemption or the Resale.

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

5.7 Effect of Early Redemption Notice or Resale Notice

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

5.8 No Holder option for early Redemption or Resale

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

5.9 Late payment

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

5.10 Purchase

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

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

5.11 Resale mechanics

- (a) If, subject to clause 5.6, the Issuer elects to Resell Notes of a Series in accordance with these Terms, the provisions of this clause 5.11 shall apply to that Resale.
- (b) The Issuer must appoint one or more Nominated Purchasers for the Resale on such terms as may be agreed between the Issuer and the Nominated Purchasers (including, without limitation, as to the conditions of any Resale and the procedures for settlement of such Resale). If the Issuer appoints more than one Nominated Purchaser in respect of a Resale, all or any of the Notes of the Series held by a Holder which are being Resold may be purchased by any one or any combination of the Nominated Purchasers, as determined by the Issuer, for the Resale Price. The obligation of a Nominated Purchaser to pay the Resale Price on the Resale Date may be subject to such conditions as the Issuer may reasonably determine.
- (c) The Issuer may not appoint a person as a Nominated Purchaser unless that person:
 - (i) has undertaken on such terms and subject to such conditions as the Issuer reasonably determines for the benefit of each Holder to acquire each Note the subject of the Resale Notice from the relevant Holder for the Resale Price on the Resale Date; and
 - (ii) is not a Related Entity of the Issuer.
- (d) Each Holder on the Resale Date is taken irrevocably to offer to sell each Note held by it which is the subject of a Resale Notice to the Nominated Purchaser or Nominated Purchasers on the Resale Date for the Resale Price.
- (e) On the Resale Date, subject to (i) payment by the Nominated Purchaser of the Resale Price for such Note to the relevant Holder and (ii) payment by the Issuer to the relevant Holder of any Interest, Arrears of Interest and Additional Interest Amounts accrued to (but excluding) the Resale Date, all right, title and interest in such Note (excluding the right to any Interest payable on that date) will be transferred to the Nominated Purchaser free from encumbrance and the Issuer and the Nominated Purchaser may thereafter redeem or otherwise deal with the Notes so transferred on the terms and at the times as agreed between them.
- (f) If a Nominated Purchaser does not pay the Resale Price in respect of a Note the subject of a Resale Notice to the Holder of that Note on the Resale Date (a **Defaulting Nominated Purchaser**) (whether as a result of a condition to purchase not being satisfied or otherwise):
 - (i) the Resale Notice as it relates to the Defaulting Nominated Purchaser and the relevant Note will be void;
 - (ii) such Note will not be transferred to the Defaulting Nominated Purchaser on the Resale Date; and
 - (iii) the relevant Holder will continue to hold the relevant Note until such Note is otherwise Redeemed, Converted or Resold in accordance with these Terms.

6 Conversion on Non-Viability Trigger Event

6.1 Non-Viability Trigger Event

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

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

- (b) without a public sector injection of capital into, or equivalent support with respect to, the Issuer, APRA considers that the Issuer would become non-viable,

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

6.2 Conversion on Non-Viability Trigger Event

If a Non-Viability Trigger Event occurs:

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

- (d) the Issuer must give written notice of that event (a **Trigger Event Notice**) as soon as practicable to the Holders, which notice must specify:
 - (i) the Trigger Event Date;
 - (ii) the number of Notes Converted; and
 - (iii) the relevant number of other Relevant Subordinated Instruments converted or written-off; and
- (e) from the Trigger Event Date, but subject to clause 6.5 and clause 17.3(b), the Issuer shall treat the Holder in respect of the Notes as the holder of the Conversion Number of Ordinary Shares and will take all such steps, including updating any of its registers, required to record the Conversion.

6.3 Immediacy of Conversion

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

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

6.4 Priority of Conversion Obligations

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

6.5 Write-Off where Conversion does not occur

- (a) Notwithstanding any other provisions of these Terms, if for any reason (including, without limitation, an Inability Event) Conversion of any Notes which are required to be Converted under this clause 6 does not occur within 5 Business Days of the Trigger Event Date, then Conversion of those Notes will not occur and those Notes shall be Written-Off with effect on and from the Trigger Event Date.
- (b) In this clause 6.5, **Written-Off** means, in respect of a Note and a Trigger Event Date:
 - (i) the Note that is otherwise subject to Conversion will not be Converted on the Trigger Event Date and will not be Converted, Redeemed or Resold under these Terms on any subsequent date; and
 - (ii) the relevant Holder's rights (including to payment of Interest (including, without limitation, any Arrears of Interest and any Additional Interest) and payment of Face Value and to be issued with the Conversion Number of Ordinary Shares) in relation to such Notes are immediately and irrevocably written-off and terminated,
 and **Write-Off** has a corresponding meaning.
- (c) The Issuer must give notice to Holders if Conversion has not occurred (**Write-Off Notice**) by operation of this clause 6.5 but failure to give that notice shall not affect the operation of this clause 6.5.

7 Holder Conversion

7.1 Holder Conversion Date

A Holder may at its option give a written notice (a "**Holder Conversion Notice**") requesting that, on the Holder Conversion Date in respect of the Notes of that Series, all (but not some only) of its Notes of such Series be Converted in accordance with and subject to clause 7.2

and, if such a Holder Conversion Notice is duly given in accordance with this clause 7, the Notes the subject of the Holder Conversion Notice will be Converted into Ordinary Shares on the Holder Conversion Date in accordance with the mechanics set out in clause 8.

7.2 Holder Conversion Notice

- (a) In order to elect to Convert all (but not some only) of its Notes, a Holder must deliver a Holder Conversion Notice duly given in accordance with this clause 7 to the Issuer no earlier than 30 Business Days and no later than 21 Business Days prior to the Holder Conversion Date.
- (b) A Holder Conversion Notice must set out the information required by clause 8.10.
- (c) Subject to clause 2.5, a Holder Conversion Notice, once given, is irrevocable.

7.3 Settlement of Holder Conversion

On the Holder Conversion Date, the Issuer and the Holder of each Note the subject of a Holder Conversion Notice shall perform its obligations in respect of the Conversion as provided in clause 8, and those Notes shall be Converted accordingly.

7.4 Failure to Convert

- (a) If, on the Holder Conversion Date, the Conversion Number of Ordinary Shares is not issued or delivered in respect of a Note, that Note shall remain on issue and any interest (including any Additional Amounts, any Arrears of Interest and any Additional Interest Amounts) shall continue to accrue until such time as the Ordinary Shares are issued to the Holder (which date shall be deemed to be the Holder Conversion Date in respect of that Note) or the Note is Redeemed or purchased in accordance with clause 5, or Converted or Written-Off as required by clause 6.
- (b) Clause 7.4(a) does not affect the obligation of the Issuer to issue or deliver Ordinary Shares when required in accordance with these Conditions.
- (c) The remedy of a Holder in respect of the Issuer's failure to issue or deliver the Ordinary Shares in accordance with this clause 7 and clause 8 is limited to seeking an order for specific performance of the Issuer's obligations to issue or deliver the Ordinary Shares to the Holder in accordance with the Terms (subject always to clause 2.5 and clause 6).

8 Conversion Mechanics

8.1 Conversion

On a Trigger Event Date or Holder Conversion Date (as applicable), subject to clauses 6.5 and 8.11, the following shall occur:

- (a) The Issuer shall allot and issue the Conversion Number of Ordinary Shares to the Holders for each Note held by the Holder which is required to be Converted. The Conversion Number will be calculated by the Issuer in accordance with the following formula:

$$\text{Conversion Number} = \frac{\text{Nominal Amount}}{99\% \times VWAP}$$

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

where:

Nominal Amount means, in respect of a Note:

- (i) in respect of Conversion of that Note on account of a Non-Viability Trigger Event, the Face Value of that Note; and
- (ii) in respect of Conversion of that Note on account of a Holder Conversion Notice, the Face Value of the Note to be Converted, together with any Additional Amounts, any Arrears of Interest and any Additional Interest Amounts in respect of that Note.

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

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

$$\text{Maximum Conversion Number} = \frac{\text{Nominal Amount}}{\text{Relevant Fraction} \times \text{Issue Date VWAP}}$$

where:

Relevant Fraction means:

- (i) in respect of a Conversion on account of a Non-Viability Trigger Event, 0.2;
 - (ii) in respect of a Conversion on account of a Holder Conversion Notice, 0.2.
- (b) Each Holder's rights (including to Interest) in relation to each Note that is being Converted as determined in accordance with clauses 6.1 and 6.2(b) or clause 7 (as the case may be) will be immediately and irrevocably terminated in full for an amount equal to the Nominal Amount and the Issuer will apply the Nominal Amount of each Note by way of payment for the subscription for the Ordinary Shares to be allotted and issued under clause 8.1(a). Each Holder is taken to have irrevocably directed that any amount payable under this clause 8.1 is to be applied as provided for in this clause 8.1 and Holders do not have any right to payment in any other way.
- (c) If the total number of Ordinary Shares to be allotted and issued in respect of a Holder's aggregate holding of Notes includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded.
- (d) The rights attaching to Ordinary Shares issued as a result of Conversion do not take effect until the time at which such Conversion occurs on the Trigger Event Date or the Holder Conversion Date (as applicable).
- (e) Subject to clause 8.11, where Notes are Converted, the Issuer will allot and issue the Ordinary Shares to the Holder on the basis of the Holder's name and address provided to the Issuer for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares issued on Conversion unless:
- (i) a Holder has notified the Issuer of a different name and address; and
 - (ii) a Holder has provided such other information as is reasonably requested by the Issuer (including, without limitation, details of the Holder's account to which the Ordinary Shares issued on Conversion are to be credited),
- which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Trigger Event Date or in the Holder Conversion Notice (as applicable).

8.2 Adjustments to VWAP

For the purposes of calculating VWAP under clause 8.1:

- (a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and Notes will be Converted into Ordinary Shares after that date and those Ordinary Shares will no longer carry that dividend or that other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement will be reduced by an amount (**Cum Value**) equal to:
- (i) (in the case of a dividend or other distribution), the amount of that dividend or other distribution including, if the dividend or distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or distribution who is a natural person resident in Australia under the Tax Legislation;

- (ii) (in the case of any entitlement that is not a dividend or other distribution for which adjustment is made under clause 8.2(a)(i) which is traded on ASX on any of those Business Days), the volume weighted average price of all such entitlements sold on ASX during the VWAP Period on the Business Days on which those entitlements were traded (excluding trades of the kind that would be excluded in determining VWAP under the definition of that term); or
 - (iii) (in the case of other entitlements which is not traded on ASX during the VWAP Period), the value of the entitlement as reasonably determined by the Issuer; and
- (b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted as ex dividend or ex any other distribution or entitlement, and Notes will be Converted into Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement will be increased by the Cum Value.

8.3 Adjustments to VWAP for divisions and similar transactions

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

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

where:

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

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

8.4 Adjustments to Issue Date VWAP

For the purposes of determining the Issue Date VWAP under clause 8.1, adjustments to the VWAP will be made by the Issuer in accordance with clauses 8.2 and 8.3 during the VWAP Period for the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

- (a) may be made by the Issuer in accordance with clauses 8.5, 8.6 and 8.7; and
- (b) if so made, will cause an adjustment to the Maximum Conversion Number.

8.5 Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to clauses 8.5(b) and 8.5(c), if the Issuer makes a pro-rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally (in a manner not involving any cash payment to or by holders of Ordinary Shares), the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

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

where:

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

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

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

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

- (b) Clause 8.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purposes of this clause 8.5, an issue will be regarded as a bonus issue notwithstanding that the Issuer does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, where the issue on such terms is in compliance with the ASX Listing Rules.
- (d) No adjustments to the Issue Date VWAP will be made under this clause 8.5 for any offer of Ordinary Shares not covered by clause 8.5(a), including a rights issue or other essentially pro rata issue.
- (e) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by clause 8.5(a) shall not in any way restrict the Issuer from issuing Ordinary Shares at any time on such terms as it sees fit nor be taken to constitute a modification or variation of rights or privileges of Holders or otherwise requiring any consent or concurrence of the Holders.

8.6 Adjustments to Issue Date VWAP for divisions and similar transactions

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

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

where:

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

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

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

8.7 No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of clauses 8.5 and 8.6, no adjustment will be made to the Issue Date VWAP where any such adjustment (rounded if applicable) would be less than one per cent of the Issue Date VWAP then in effect.

8.8 Certain provisions relating to adjustments

- (a) The Issuer will notify Holders (an **Adjustment Notice**) of any adjustment to the Issue Date VWAP under this clause 8 within 10 Business Days of the Issuer determining the adjustment.
- (b) Any adjustment to the VWAP or Issue Date VWAP in accordance with this clause 8 will be effective and binding on Holders under these Terms and these Terms will be construed accordingly.

8.9 Status and listing of Ordinary Shares

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

8.10 Information for Conversion

Where a Note is required to be Converted under these Terms, a Holder wishing to receive Ordinary Shares must in a Holder Details Notice to be given no later than the Trigger Event Date (in the case of Conversion under clause 6) or in the Holder Conversion Notice (in the case of Conversion under clause 7) have provided to the Issuer:

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

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

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

- (a) If Notes are required to be Converted under clause 6 or clause 7 and:
 - (i) in the case of a Conversion under clause 6 only, the Holder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of Conversion, which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Trigger Event Date;
 - (ii) the Holder is an Ineligible Holder;
 - (iii) in the case of a Conversion under clause 6 only, for any reason (whether or not due to the fault of the Holder), the Issuer has not received the information required by clause 8.10 prior to the Trigger Event Date and the lack of such information would prevent the Issuer from issuing the Ordinary Shares to the Holder on the Trigger Event Date; or
 - (iv) FATCA Withholding is required to be made in respect of the Ordinary Shares to be issued upon Conversion,

then, on the Trigger Event Date or the Holder Conversion Date (as applicable), the Holder's rights (including to payments of Interest or Additional Amounts, and the repayment of principal) in relation to each such Note being Converted are immediately and irrevocably terminated and the Issuer will issue the Conversion Number of Ordinary Shares to one or more Nominees for no additional consideration and on terms that at the first opportunity the Nominee will sell the Ordinary Shares at market value and pay the Proceeds to the relevant Holder or, in the case of a FATCA Withholding, will deal with the Ordinary Shares and any proceeds of sale as required by FATCA and pursuant to clause 13.4.

- (b) In the case of a Conversion under clause 6 only, if the Conversion of Notes to which this clause 8.11 applies fails to take effect within five Business Days of the Trigger Event Date, then the Holder's rights will be immediately and irrevocably terminated in accordance with clause 6.5.
- (c) The Issuer has no liability to a Holder for the acts of any Nominee appointed to sell the Ordinary Shares under this clause 8.11 and has no, nor owes any, duties in connection with any such sale and has no responsibility for any costs, losses, liabilities, expenses, demands or claims which arise as a result of such sale.

8.12 Power of attorney

- (a) Each Holder appoints each of the Issuer, its officers and any External Administrator of the Issuer (each an **Attorney**) severally to be the attorney of the Holder with power in the name and on behalf of the Holder to sign all documents and transfers and do any other thing as may in the Attorney's opinion be necessary or desirable to be done in order for the Holder to observe or perform the Holder's obligations under these

Terms including, but not limited to, effecting any transfers of the Notes, Conversion, Write-Off, Redemption or Resale, making any entry in the Register or the register of any Ordinary Shares or exercising any voting power in relation to any consent or approval required for Conversion, Write-Off, Redemption or Resale.

- (b) The power of attorney given in this clause 8.12 is given for valuable consideration and to secure the performance by the Holder of the Holder's obligations under these Terms and is irrevocable.

8.13 Conversion if amounts not paid

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

8.14 Conversion after winding-up commences

If a Non-Viability Trigger Event occurs, then Conversion shall occur (subject to clause 6.5) in accordance with clauses 6 and 8 notwithstanding that an order is made by a court, or an effective resolution is passed, for the winding-up of the Issuer.

8.15 Consent to receive Ordinary Shares and other acknowledgements

Subject to clause 6.5, each Holder irrevocably:

- (a) upon receipt of the Conversion Number of Ordinary Shares following Conversion of Notes in accordance with clause 6 or clause 7 (as applicable) and this clause 8, consents to becoming a member of the Issuer and agrees to be bound by the constitution of the Issuer, in each case in respect of Ordinary Shares issued on Conversion;
- (b) acknowledges and agrees that, unless it has given notice in accordance with clause 8.11 that it does not wish to receive Ordinary Shares as a result of Conversion, it is obliged to accept Ordinary Shares on Conversion notwithstanding anything that might otherwise affect a Conversion of Notes including:
 - (i) any change in the financial position of the Issuer or the Suncorp Group since the Issue Date;
 - (ii) it being impossible or impracticable to list the Ordinary Shares on the ASX;
 - (iii) it being impossible or impracticable to sell or otherwise dispose of the Ordinary Shares;
 - (iv) any disruption to the market or potential market for Ordinary Shares or capital markets generally;
 - (v) any breach by the Issuer of any obligation in connection with the Notes; or
 - (vi) the occurrence of a Regulatory Event or a Tax Event;
- (c) acknowledges and agrees that:
 - (i) Conversion of the Notes in accordance with clause 6 is a fundamental term of the Notes and is not subject to any conditions other than those expressly provided for in clause 6 and this clause 8;
 - (ii) Conversion must occur immediately on the Trigger Event Date and Conversion or Write-Off may result in disruption or failures in trading or dealings in the Notes or other loss to Holders;
 - (iii) it will not have any rights to vote in respect of any Conversion or Write-Off;
 - (iv) the determinations made by the Issuer under clause 6 are final and binding; and
 - (v) notwithstanding clause 8.9, Ordinary Shares issued on Conversion may not be quoted at the time of Conversion or at all;
- (d) agrees to provide to the Issuer any information necessary to give effect to a Conversion;

- (e) acknowledges and agrees that where clause 6.5 applies, no other conditions or events will affect the operation of that clause and it will not have any rights to vote in respect of any termination under that clause;
- (f) acknowledges and agrees that, except to the extent provided for in clause 7, it has no right to determine whether Notes are Converted; and
- (g) acknowledges and agrees that it has no remedies on account of the failure of the Issuer to issue Ordinary Shares in accordance with this clause 8 other than, subject to clause 6.5, to seek specific performance of the Issuer's obligation to issue Ordinary Shares.

9 Events of Default

9.1 Events of Default

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

- (a) subject to clause 2.2, the Issuer fails to pay:
 - (i) any amount of principal in respect of the Notes of that Series within 10 days of the due date for payment; or
 - (ii) any amount of Interest or other amount in respect of the Notes of that Series within 30 days of the due date for payment,(a **Payment Default**); or
 - (b) an:
 - (i) order is made by a court (other than an order successfully appealed or permanently stayed within 60 days), or
 - (ii) effective resolution is passed,for the winding-up of the Issuer in Australia (but not elsewhere), in each case other than for the purposes of a consolidation, amalgamation, merger or reconstruction which has been approved by a Special Resolution of the Holders or in which the surviving entity has assumed or will assume expressly or by law all obligations of the Issuer in respect of the Notes,
- (a
- Winding-up Default**
-).

9.2 Notification

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

9.3 Enforcement

- (a) At any time after a Payment Default occurs and continues unremedied, then the Holder of any Notes of the relevant Series may without further notice bring proceedings:
 - (i) to recover any amount then due and payable but unpaid on the Notes (subject to clause 2.2);
 - (ii) to obtain a court order for specific performance of any other obligation in respect of the Notes; or
 - (iii) for the winding-up of the Issuer.
- (b) At any time after a Winding-up Default occurs and continues unremedied, the Holder of any Notes of the relevant Series may declare by notice to the Issuer that the Face Value of each Note (together with all Interest accrued but unpaid to the date for payment) is payable on a date specified in the notice and, subject to clause 10, may prove in the winding-up of the Issuer for that amount, but may take no further action to enforce the obligations of the Issuer for payment of any principal or Interest in respect of the Notes of the relevant Series.

- (c) The Holder may not exercise any other remedies (including any right to sue for damages which has the same economic effect as acceleration) as a consequence of an Event of Default other than as specified in this clause 9.3.
-

10 Winding-up and Subordination

10.1 Winding up

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

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

10.2 Agreements and acknowledgements of Holders

Each Holder irrevocably acknowledges and agrees that:

- (a) this clause 10 is a debt subordination for the purposes of section 563C of the Corporations Act;
- (b) it must not exercise its voting rights (as a creditor in respect of the Notes) in the winding-up or administration of the Issuer in any jurisdiction to defeat the subordination in this clause 10;
- (c) it must pay or deliver to the liquidator any amount or asset received on account of its claim in the winding-up of the Issuer in connection with a Note in excess of its entitlement under clause 10.1 above;
- (d) the debt subordination effected by this clause 10 is not affected by any act or omission of the Issuer or a Senior Ranking Creditor which might otherwise affect it at law or in equity; and
- (e) there is no limit on the amount of debt or other obligations which rank equally with or ahead of the Notes that may be incurred or assumed by the Issuer.

10.3 No consent of Senior Ranking Creditors

Nothing in clause 2 or this clause 10 shall be taken:

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

10.4 Further issues

The Issuer may from time to time, without the consent of Holders, issue further Notes having the same Terms as the Notes of any Series in all respects (or in all respects except for the Issue Date and the first Interest Payment Date) so as to form a single Series with the Notes of that Series, provided that the requirements of APRA that the Notes be eligible to fund Tier 2 Capital of a Regulated Entity within the Suncorp Group are met. References in these Terms to the Notes include (unless the context requires otherwise) any other Notes issued pursuant to this clause 10.4 and forming a single Series with the Notes.

11 Title and transfer of Notes

11.1 Title

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

11.2 Effect of entries in Register

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

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

11.3 Register conclusive as to ownership

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

11.4 Non-recognition of interests

Except as required by law, the Issuer and the Registrar must treat the person whose name is entered in the Register as the holder of a Note as the absolute owner of that Note. This clause 11.4 applies whether or not a Note is overdue and despite any notice of ownership, trust or interest in the Note.

11.5 Joint holders

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

11.6 Austraclear

- (a) If Notes are lodged in the Austraclear System, the Registrar will enter Austraclear in the Register as the Holder of those Notes. While those Notes remain in the Austraclear System, all dealings (including transfers and payments) in relation to those Notes within the Austraclear System will be governed by the regulations for the Austraclear System (but without affecting any Term which may cause APRA to object to the Suncorp Group using or having used the proceeds of the Notes to fund Tier 2 Capital of a Regulated Entity within the Suncorp Group).
- (b) Where Austraclear is recorded in the Register as the Holder, each person in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded is deemed to acknowledge in favour of the Registrar and Austraclear that:
 - (i) the Registrar's decision to act as the Registrar of the Note does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the Note but only indicates that such Note is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the Note; and
 - (ii) the Holder does not rely on any fact, matter or circumstance contrary to clause 11.6(b)(i).

11.7 Transfers in whole

Notes may be transferred in whole but not in part.

11.8 Transfer

- (a) Where Notes are not lodged in the Austraclear System, subject to clause 11.9, all applications to transfer Notes must be made by lodging with the Registrar a properly completed transfer and acceptance form in the form approved by the Issuer and the Registrar signed by both the transferor and the transferee. Transfer and acceptance forms are available from any Registry Office.

- (b) Notes lodged in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

11.9 Limit on Transfer

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

11.10 Austraclear Services Limited as Registrar

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

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

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

11.11 Delivery of instrument

If an instrument is used to transfer Notes according to clause 11.8, it must be delivered to the Registrar, together with such evidence (if any) as the Registrar reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the Notes.

11.12 Refusal to register

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

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

11.13 Transferor to remain Holder until registration

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

11.14 Effect of transfer

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under the Deed Poll in respect of the transferred Notes and the transferee becomes so entitled in accordance with clause 11.2.

11.15 Estates

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Holder or of a vesting order or a person administering the estate of a Holder may, upon producing

such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

11.16 Unincorporated associations

A transfer to an unincorporated association is not permitted.

11.17 Transfer of unidentified Notes

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

12 Payments

12.1 Summary of payment provisions

Payments in respect of Notes will be made in accordance with this clause 12.

12.2 Payments subject to law

All payments are subject to applicable law, but without prejudice to the provisions of clause 13.

12.3 Payments on Business Days

If a payment:

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

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

Nothing in this clause applies to any payment referred to in clause 8.1(b), which occurs on the Trigger Event Date as provided in clause 8.1.

12.4 Payment of principal

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

12.5 Payment of Interest

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

12.6 Payments to accounts

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

12.7 Payments by cheque

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

12.8 Unsuccessful attempts to pay

Subject to applicable law, where the Issuer:

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

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

12.9 Payment to joint Holders

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

12.10 No set-off or offsetting rights

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

13 Taxation

13.1 No set-off, counterclaim or deductions

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

13.2 Withholding tax

Subject to clause 13.3, if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the Notes such that the Holder would not actually receive on the due date the full amount provided for under the Notes, then:

- (a) the Issuer agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and
- (b) if the amount deducted or withheld is in respect of Taxes imposed within Australia, the amount payable is increased so that, after making the deduction and further deductions applicable to additional amounts payable under this clause 13.2, each Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

13.3 Withholding tax exemptions

No Additional Amounts are payable under clause 13.2(b) in respect of any Note:

- (a) to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Note by reason of the person having some connection with Australia other than the mere holding of such Note or receipt of payment in respect of the Note provided that a Holder shall not be regarded as having a connection with Australia for the reason that the Holder is a resident of Australia within the meaning of the Tax Legislation where, and to the extent that, such taxes are payable by reason of section 128B(2A) of the Tax Legislation;

- (b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such Taxes by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar case for exemption to any tax authority;
- (c) in respect of which Taxes have been imposed or levied as a result of the Holder of the Notes being party to or participating in a scheme to avoid such Taxes, being a scheme to which the Issuer was neither a party to nor participated in;
- (d) to, or to a third party on behalf of, a Holder who is an Offshore Associate and not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act; or
- (e) to, or to a third party on behalf of an Australian resident Holder or a non-resident Holder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if the Holder has not supplied an appropriate tax file number, an Australian business number or other exemption details.

13.4 FATCA

Notwithstanding any other provision of this deed (including, for the avoidance of doubt, this clause 13), the Issuer may withhold or make deductions from any payment in respect of the Notes or from the issue of Ordinary Shares to a Holder where such withholding or deduction is made under or in connection with, or in order to ensure compliance with FATCA, or where it has reasonable grounds to suspect that the Holder or a beneficial owner of Notes may be subject to FATCA, and may deal with such payment, and any Ordinary Shares in accordance with FATCA. If any withholding or deduction arises under or in connection with, or in order to ensure compliance with FATCA, the Issuer will not be required to pay any Additional Amounts or other amounts and the Issuer will not be required to issue any further Ordinary Shares on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Holder or a beneficial owner of Notes for or in respect of any such withholding or deduction. Such a dealing with such payment and any Ordinary Shares satisfies the Issuer's obligations to that Holder to the extent of the amount of that payment or issue of Ordinary Shares.

14 Meetings of Holders

14.1 Meeting Provisions

Meetings of Holders of Notes of a Series may be held in accordance with the Meeting Provisions. A meeting may consider any matter affecting the interests of Holders, including any variation to these Terms proposed by the Issuer in accordance with clause 15.

14.2 Convening a meeting

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

14.3 Resolutions binding

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

15 Amendment

15.1 Amendments without consent

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

- (a) of a formal or technical or minor nature;
- (b) made to cure any ambiguity or correct any manifest error;
- (c) necessary or expedient for the purpose of enabling the Notes to be offered for subscription or for sale under the laws for the time being in force in any place;
- (d) necessary to comply with the provisions of any statute or the requirements of any statutory authority;
- (e) made in accordance with the Issuer's adjustment rights in clause 8;
- (f) made to:
 - (i) amend the Terms to align them with any Relevant Term Subordinated Instrument issued after the Issue Date; or
 - (ii) alter the definition of "Relevant Subordinated Instruments", "Relevant Tier 1 Capital Instruments" or "Relevant Term Subordinated Instruments" on account of the issue after the Issue Date of capital instruments of the Issuer or the Suncorp Group; or
- (g) in any other case, not materially prejudicial to the interests of the Holders as a whole.

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

15.2 Amendment or Substitution of Approved Acquirer

At any time and from time to time, the Issuer may, without the consent of the Holders, amend these Terms as contemplated by clause 16.

15.3 Amendment with consent

Where clause 15.1 or clause 15.2 does not apply, the Issuer may amend these Terms with the approval of the Holders of Notes of the relevant Series by Special Resolution in accordance with the Deed Poll.

15.4 Consents

Prior to any amendment under this clause 15, the Issuer must obtain any consent needed to the amendment and, in particular, any amendment which may affect the eligibility of the Notes as a Relevant Term Subordinated Instrument, is subject to the prior written consent of APRA.

15.5 Notification of amendments

The Issuer must notify the Holders of any amendments made in accordance with this clause 15.

15.6 Interpretation

In this clause 15, "amend" includes modify, cancel, amend, waive or add to, and "amendment" has a corresponding meaning.

16 Substitution of Approved Acquirer

16.1 Acquisition Event

Each Holder by acquiring a Note agrees that:

- (a) where either of the following occurs:

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

without the consent of the Holders (but with the prior written approval of APRA):

- (c) the Issuer may amend the terms of the Notes such that, unless APRA otherwise agrees, on any Trigger Event Date:
 - (i) each Note that is being Converted in whole will be automatically transferred by each Holder free from encumbrance to the Approved Acquirer on the Trigger Event Date;
 - (ii) each Holder (or a Nominee in accordance with Clause 8.11, which provisions shall apply, subject to necessary changes, to such Approved Acquirer Ordinary Shares) of the Note being Converted will be issued a number of Approved Acquirer Ordinary Shares equal to the Conversion Number and the Conversion mechanics that would have otherwise been applicable to the determination of the number of Ordinary Shares shall apply (with any necessary changes) to the determination of the number of such Approved Acquirer Ordinary Shares; and
 - (iii) as between the Issuer and the Approved Acquirer, each Note held by the Approved Acquirer as a result of the transfer will be automatically Converted into a number of Ordinary Shares the aggregate market value of which equals the prevailing principal amount of that Note (determined on the basis as set out in clause 7 using a VWAP calculated on the basis of the last period of 5 Business Days on which trading in Ordinary Shares took place preceding, but not including, the Trigger Event Date (whether such period occurred before or after the Acquisition Event occurred) and subject in all cases to the Maximum Conversion Number); and
- (d) the Issuer may make such other amendments as in the Issuer's reasonable opinion are necessary and appropriate in order to effect the substitution of an Approved Acquirer as the issuer of the ordinary shares to be delivered upon Conversion in the manner contemplated by these Terms and consistent with the requirements of APRA in relation to Tier 2 Capital, including, without limitation:

- (i) to any one or more of the definitions of "Conversion," "Inability Event," "Junior Ranking Instruments", "Ordinary Shares," "Relevant Subordinated Instruments", "Relevant Tier 1 Capital Instruments", "Relevant Term Subordinated Instruments" and "Non-Viability Trigger Event" and to the procedures relating to Conversion and Write-Off as contemplated in these Terms to reflect the identity of the Approved Acquirer as the issuer of the ordinary shares to be delivered upon Conversion;
- (ii) to cause any necessary adjustment to be made to the Maximum Conversion Number and to any relevant VWAP or Issue Date VWAP consistent with the principles of adjustment set out in clause 8; and
- (iii) to these Terms such that any right of Holders to require delivery of ordinary shares of the Approved Acquirer is consistent with the limited right of Holders to require delivery of Ordinary Shares following a Conversion as set out in these Terms.

16.2 Further substitution

After a substitution, as described in this clause 16, the Approved Acquirer may without the authority, approval or assent of the Holder of Notes, effect a further substitution as described in this clause (with necessary changes).

16.3 No further rights

A Holder has no right:

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

and acknowledges and agrees that there is no provision for any automatic adjustment to these Terms or the Deed Poll on account of an Acquisition Event other than by an Approved Acquirer in this clause 16.

16.4 No right or remedy against the Issuer

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

17 General

17.1 Notices

(a) Notices to Holders

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

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

(b) Delivery of certain notices

Notwithstanding clause 17.1(a), an Interest Notice, an Interest Deferral Notice, an Arrears of Interest Payment Notice, an Early Redemption Notice, a Resale Notice, a Trigger Event Notice, a Write-Off Notice, an Adjustment Notice, a Change of Agent Notice, an Issuer Details Notice or a notice of change of Specified Office may each be

given to Holders by the Issuer publishing the notice on the Issuer's website.

(c) **Notices**

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

(d) **Notices to the Issuer**

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

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

Attention: Company Secretary
Address: Level 23
80 Ann Street
Brisbane Queensland 4000

or

Email: investor.relations@suncorp.com.au

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

- (iii) (except as regards a communication sent by email) signed by the person making the communication or by a person duly authorised by that person; and
- (iv) delivered or posted by prepaid post or sent by email to the email address in each case in accordance with clause 17.1(d).

(e) **When effective**

Notices and other communications the subject of this clause 17.1 take effect from the time they are taken to be received unless a later time is specified in them.

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

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

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

- (i) If sent by post, notices or other communications the subject of this clause 17.1 are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).
- (ii) If sent by email, notices or other communications the subject of this clause 17.1 are taken to be received when:
 - (A) the sender receives an automated message confirming delivery; or
 - (B) four hours after the time sent (as recorded on the device from which the sender sent the email), provided that the sender does not receive an automated message within those four hours that the email has not been delivered.

(h) **Deemed receipt - general**

Despite clause 17.1(g), if notices or other communications the subject of this clause 17.1 are received after 5.00 pm in the place of receipt or on a non-Business Day, they

are taken to be received at 9.00 am on the next Business Day in the place of receipt.

(i) **Copies of notices**

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

17.2 Time limit for claims

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

17.3 Voting

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

17.4 Further issues and dealings with securities

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

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

17.5 Role of the Agents

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

17.6 Change of Agent

- (a) The Issuer:
 - (i) reserves the right at any time to terminate the appointment of any Agent in accordance with its Agency Agreement or otherwise and to appoint a successor or additional Agent; and
 - (ii) may vary or terminate any Agency Agreement or other document entered into in connection with any Note without the consent of Holders, provided that, in each case, so long as any Notes are Outstanding, the Issuer must maintain the appointment of a Registrar with its specified office in Australia.
- (b) Notice of termination of an Agent's appointment and notice of appointment of a successor or additional Agent (each a **Change of Agent Notice**) shall be given to the Holders in accordance with clause 17.1.

17.7 No other rights

The Notes confer no rights on a Holder:

- (a) to vote at any meeting of shareholders of the Issuer;

- (b) to subscribe for new securities or to participate in any bonus issues of securities of the Issuer; or
- (c) to otherwise participate in the profits or property of the Issuer, except as set out in these Terms or the Deed Poll.

17.8 Governing law

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

17.9 Jurisdiction

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

18 Interpretation and definitions

18.1 Interpretation

In these Terms, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a document includes all schedules or annexes to it;
- (d) a reference to a clause or paragraph is to a clause or paragraph of these Terms;
- (e) a reference to a document or instrument includes the document or instrument as novated, amended, supplemented or replaced from time to time;
- (f) a reference to "Australia" includes any political sub-division or territory in the Commonwealth of Australia;
- (g) a reference to "Australian dollars", "dollars", "AUD", "A\$", "\$", "Australian cents" or "cents" is a reference to the lawful currency of Australia;
- (h) a reference to time is to Sydney, Australia time;
- (i) other than in relation to a Non-Viability Trigger Event and a Conversion on a Trigger Event Date, if these Terms require an event to occur on a Business Day, and the date specified by these Terms for the occurrence of that event is not a Business Day, then that event is taken to occur on a Business Day (in accordance with the applicable Business Day Convention);
- (j) a reference to a person includes a reference to the person's executors, administrators, successors and permitted assigns and substitutes;
- (k) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (l) a reference to a statute, ordinance, code, rule, directive or law (however described) includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (m) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (n) an Event of Default is subsisting if it has not been remedied or waived in writing;
- (o) headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Terms;
- (p) if the principal securities exchange on which Ordinary Shares are listed becomes other than ASX, unless the context otherwise requires, a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, ASX Settlement Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be);

- (q) any provisions which refer to the requirements of APRA or any other prudential regulatory requirements will apply to the Issuer only if the Issuer is an entity subject to regulation and supervision by APRA at the relevant time;
- (r) any provisions which require APRA's consent or approval (written or otherwise) will apply unless APRA has notified the Issuer in writing that it no longer requires that such consent or approval be given at the relevant time;
- (s) a reference to "Additional Tier 1 Capital", "Eligible Additional Tier 1 Capital", "Tier 1 Capital", "Tier 2 Capital" or "Related Entity" shall, if either term is replaced or superseded in any of APRA's applicable prudential regulatory requirements or standards (including the NOHC Authorisation), be taken to be a reference to the replacement or equivalent term;
- (t) any provisions in these Terms requiring the prior approval of APRA for a particular course of action to be taken by the Issuer do not imply that APRA has given its consent or approval to the particular action as of the Issue Date or that it will at any time give its consent or approval to the particular action;
- (u) nothing in these Terms shall confer rights on the holder of any Relevant Subordinated Instrument;
- (v) a reference to the "conversion" of a Relevant Subordinated Instrument includes an exchange or other method by which holders come to be issued with Ordinary Shares in place of the Relevant Subordinated Instrument; and
- (w) a reference to any Interest, Arrears of Interest or Additional Interest Amount includes a reference to any Additional Amount which may be payable in respect of that amount under clause 13.

18.2 Definitions

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

Accrual Period means the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant Interest Payment Date;

Actual/365 (Fixed) means the actual number of days in the Accrual Period divided by 365;

Acquisition Event has the meaning given in clause 16.1;

Additional Amount means an additional amount payable by the Issuer under clause 13.2(b);

Additional Interest Amount has the meaning given in clause 3.9;

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

Adjustment Notice has the meaning given in clause 8.8;

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

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

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

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

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

- (a) the entity which has or is to become the Approved Acquirer has assumed all of the Issuer's obligations to Convert the Notes into Ordinary Shares by undertaking to convert such Notes into Approved Acquirer Ordinary Shares on a Non-Viability Trigger Event in respect of the Approved Acquirer;
- (b) the Approved Acquirer Ordinary Shares are listed on ASX or another recognised exchange; and

- (c) the Issuer, in its sole and absolute discretion, has determined that the arrangements for the issuance of Approved Acquirer Ordinary Shares to Holders following a Non-Viability Trigger Event are in the best interests of the Issuer having regard also to the interests of the Holders and are consistent with applicable law and regulation (including, but not limited to, the guidance of APRA or any other applicable regulatory authority);

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

Arrears of Interest means at any time any interest in respect of a Note not paid on an Interest Payment Date by virtue of clause 3.7(a) or otherwise and which remains unpaid at that time;

Arrears of Interest Payment Notice has the meaning given in clause 3.8(a);

ASX means ASX Limited (ABN 98 008 624 691) or the securities market operated by it or any of its related bodies corporate, as the context requires;

ASX Listing Rules means the listing rules of ASX;

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

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

Attorney has the meaning given in clause 8.12;

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

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

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

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

Bank Bill Rate has the meaning given in clause 3.2;

Banking Act means the Banking Act 1959 of Australia;

Business Day means:

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

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the relevant Pricing Supplement, in relation to any date applicable to any Note, have the following meanings:

- (a) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (b) **Modified Following Business Day Convention or Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;

(c) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and

(d) **No Adjustment** means that the relevant date is not adjusted;

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

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

Capital Notes 3 means the A\$250,000,000 perpetual, convertible, subordinated and unsecured notes issued on 17 December 2019 by the Issuer pursuant to a prospectus dated 11 November 2019;

Capital Notes 4 means the A\$405,000,000 perpetual, convertible, subordinated and unsecured notes issued on 23 September 2021 by the Issuer pursuant to a prospectus dated 7 September 2021;

Change of Agent Notice has the meaning given in clause 17.6(b);

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

Control has the meaning given in the Corporations Act;

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

Conversion Number has the meaning given in clause 8.1(a);

Corporations Act means the *Corporations Act 2001* of Australia;

Costs includes costs, charges and expenses;

Cum Value has the meaning given in clause 8.2(a);

Day Count Fraction means:

(a) in the case of Fixed Rate Notes:

(i) subject to sub-paragraph (ii) immediately below, for amounts paid and/or calculated in respect of Interest Payment Dates, one divided by the number of Interest Payment Dates in a year; and

(ii) for amounts paid and/or calculated in respect of dates other than Interest Payment Dates, or in respect of the first Interest Payment Date, Actual/365 (Fixed);

(b) in the case of Floating Rate Notes, for any Interest Period or other period, the actual number of days in the Interest Period or other period (from and including the first day of such period to but excluding the last day of such period) divided by 365; and

(c) in the case of Fixed-to-Floating Rate Notes, the fraction specified in paragraph (a) during the Fixed Rate Period and the fraction specified in paragraph (b) during the Floating Rate Period;

Deed Poll means the deed entitled "Suncorp Wholesale Subordinated Notes 4 Deed Poll" dated on or around 22 February 2023;

Defaulting Nominated Purchaser has the meaning given in clause 5.11(f);

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

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

Early Redemption Notice has the meaning given in clause 5.6(a);

Eligible Additional Tier 1 Capital means "Eligible Additional Tier 1 Capital" as defined in the

NOHC Authorisation or any successor requirement as designated by APRA;

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

Event of Default means the happening of any event set out in clause 9.1;

External Administrator means, in respect of a person:

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

or in either case any similar official;

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

FATCA means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction;

FATCA Withholding means any deduction or withholding arising under or in connection with, or in order to ensure compliance with FATCA;

Financial Year means a period of 12 months beginning on 1 July in any year and ending on 30 June in the following year;

First Scheduled Optional Redemption or Resale Date means, in relation to the Notes of a Series, the date specified as such in the applicable Pricing Supplement, as adjusted in accordance with the relevant Business Day Convention;

Fixed Rate has the meaning given in clause 3.3;

Fixed Rate Note means a Note on which interest is calculated at a fixed rate and payable in arrears on a fixed date or fixed dates in each year or in respect of any other period or on any date specified in the relevant Pricing Supplement;

Fixed Rate Period means the period commencing on the Issue Date and concluding on the date immediately prior to the Floating Rate Commencement Date;

Fixed-to-Floating Rate Note means a Note on which Interest is calculated in accordance with clause 3.3 for the Fixed Rate Period and in accordance with clause 3.4 for the Floating Rate Period;

Floating Rate Commencement Date means the date (if any) specified as such in the relevant Pricing Supplement;

Floating Rate Note means a Note on which interest is calculated at a floating rate payable 1, 2, 3, 6, or 12 monthly or in respect of any other period or on any date specified in the relevant Pricing Supplement;

Floating Rate Period means the period commencing on the Floating Rate Commencement Date and concluding on the date on which no Notes of a Series remain Outstanding;

Foreign Holder means a Holder:

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

Holder means, in respect of a Note:

- (a) for the purposes of determining the person entitled to be treated as the holder of Ordinary Shares or to be allotted and issued Ordinary Shares under these Terms and purposes incidental thereto (including, without limitation, for the purposes of clauses 6.2(e), 8.1, 8.10, 8.11 and 8.15), or where Ordinary Shares are to be issued to a Nominee, the Proceeds of sale of Ordinary Shares and the amount of their entitlements, for so long as a Note is held in the Austraclear System and Ordinary Shares are not able to be lodged in the Austraclear System, a person who is the relevant Austraclear Participant; and
- (b) for all other purposes, the person whose name is entered on the Register as the holder of that Note;

Holder Conversion Date means the date specified as such in the applicable Pricing Supplement, as adjusted in accordance with the relevant Business Day Convention;

Holder Conversion Notice has the meaning given in clause 7.1;

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

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

Ineligible Holder means:

- (a) a Holder who the Issuer believes is prohibited or restricted by any applicable law or regulation in force in Australia (including but not limited to Chapter 6 of the Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 of Australia, the Financial Sector (Shareholdings) Act 1998 of Australia, Part IV of the Competition and Consumer Act 2010 of Australia and the Insurance Acquisitions and Takeovers Act 1991 of Australia) from being offered, holding or acquiring Ordinary Shares (as to which the Issuer will not be bound to enquire); or
- (b) a Foreign Holder;

Information Memorandum means the Information Memorandum relating to the offering and issuance of the Notes dated on or around 22 February 2023;

Insurance Act means the Insurance Act 1973 of Australia;

Interest has the meaning given in clause 3.1;

Interest Deferral Notice has the meaning given in clause 3.7(b);

Interest Notice has the meaning given in clause 4.2;

Interest Payment Date means, in respect of a Note:

- (a) each date specified as such in the relevant Pricing Supplement (until the first to occur of the Maturity Date and an Early Redemption Date in respect of that Note); and
- (b) any Resale Date,

as adjusted in accordance with the relevant Business Day Convention specified in the Pricing Supplement;

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

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

Interest Rate means, in respect of an Interest Period, for a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note calculated or determined in accordance with clause 3.2 and clause 3.3, 3.4 or 3.5 (as applicable);

Issue Date means, in respect of a Note, the date on which that Note is, or is to be, issued, as specified in or determined in accordance with the relevant Pricing Supplement;

Issue Date VWAP means, for a Series of Notes, the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but not including the first date on which the Notes of the Series were issued, as adjusted in accordance with clause 8;

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

Issuer Details Notice has the meaning given in clause 17.1(d);

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

Junior Ranking Instruments means:

- (a) instruments issued by the Issuer as Relevant Tier 1 Capital Instruments; and
- (b) any shares (including Ordinary Shares) in the capital of the Issuer;

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

Margin has the meaning given in the applicable Pricing Supplement;

Maturity Date means, for a Note, the date specified as such in the applicable Pricing Supplement, as adjusted in accordance with the relevant Business Day Convention;

Maximum Conversion Number has the meaning given in clause 8.1(a);

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

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

Nominated Purchaser means, subject to clause 5.11(c), one or more third parties selected by the Issuer in its absolute discretion;

Nominal Amount has the meaning given in clause 8.1;

Nominee means each nominee (who cannot be a Related Entity of the Issuer) appointed by the Issuer under a facility established for the sale or transfer of Ordinary Shares issued on Conversion, in accordance with clause 8.11;

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

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

Note has the meaning given in clause 1.1;

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

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

Optional Interest Payment Date means an Interest Payment Date where no interest payments, dividends or other distributions have been made on any Junior Ranking Instruments or Relevant Term Subordinated Instruments (other than a Relevant Term Subordinated Instrument where the terms of that instrument do not enable the Issuer to defer, pass on or eliminate the relevant payment on such Relevant Term Subordinated Instrument, which includes the Suncorp Wholesale Subordinated Notes 1 and other such instruments on equivalent terms) during the Financial Year in which such Interest Payment Date falls;

Ordinary Resolution has the meaning given in the Meeting Provisions;

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

Outstanding means, in relation to the Notes of any Series, all of the Notes of that Series other than any Notes of that Series which have been Redeemed, Converted, repaid, Written-Off or otherwise satisfied in full;

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

Payment Default has the meaning given in clause 9.1(a);

Pricing Supplement means, in respect of a Tranche, a pricing supplement substantially in the form set out in Schedule 3 to the Deed Poll specifying the relevant issue details in relation to it;

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

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

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

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

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

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

Registry Agreement means the agreement entitled "The ASX Austraclear Registry and IPA Services Agreement" dated on or about 7 August 2018 between the Issuer and Austraclear Services Limited (ABN 28 003 284 419);

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

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

Regulatory Event means:

- (a) the receipt by the Directors of an opinion from a reputable legal counsel that, as a result of any amendment to, clarification of or change (including any announcement of a change that will be introduced) in any law or regulation (including prudential standards) or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulation or any statement of APRA which amendment, clarification or change is effective, or pronouncement, action or decision is announced, on or after the Issue Date (and which, on the Issue Date, is not expected by the Issuer to come into effect), additional requirements (which are more than *de minimis*) would be imposed on the Issuer in relation to or in connection with Notes of the relevant Series which the Directors determine, in their absolute discretion, to be unacceptable;
- (b) following a notification from, or announcement or determination by, APRA, the Directors determine in their absolute discretion that the Issuer is not or will not be entitled to treat the Notes of the relevant Series in full as an instrument the proceeds of which APRA permits the Suncorp Group to use to fund Tier 2 Capital of a Regulated Entity within the Suncorp Group, except where the reason the Issuer is not entitled to so treat the Notes is because of a prudential limit or other restriction which

is in effect on the Issue Date or which on the Issue Date is expected by the Issuer to come into effect;

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

Relevant Fraction has the meaning given in clause 8.1;

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

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

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

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

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

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

and includes, for so long as they are on issue, Capital Notes 2, Capital Notes 3 and Capital Notes 4;

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

Resale means, in relation to a Note, the transfer of rights in accordance with clause 5.11 with respect to that Note, and **Resold** and **Resell** have corresponding meanings;

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

Resale Notice means has the meaning given in clause 5.6(a);

Resale Price means, in relation to a Note, an amount equal to the Face Value;

Scheduled Optional Redemption or Resale Date means, in relation to the Notes of a Series:

- (a) the First Scheduled Optional Redemption or Resale Date;
- (b) the Second Scheduled Optional Redemption or Resale Date; or
- (c) any Interest Payment Date after the Second Scheduled Optional Redemption or Resale Date;

Second Scheduled Optional Redemption or Resale Date means in relation to the Notes of a Series, the date specified as such in the applicable Pricing Supplement, as adjusted in accordance with the relevant Business Day Convention;

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

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

Series means an issue of Notes made up of one or more Tranches all of which form a single Series and are issued on the same terms except that the Issue Date and first Interest Payment Date may be different in respect of a different Tranche of a Series;

Solvency Condition has the meaning given in clause 2.2;

a person is **Solvent** if:

- (a) it is able to pay its debts when they fall due; and
- (b) its assets exceed its liabilities,

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

Special Resolution has the meaning given in the Meeting Provisions;

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

Subsidiary has the meaning given in the Corporations Act;

Suncorp Group means the Issuer and each of its Subsidiaries;

Suncorp Wholesale Subordinated Notes means the Suncorp Wholesale Subordinated Notes 1, the Suncorp Wholesale Subordinated Notes 2 and the Suncorp Wholesale Subordinated Notes 3;

Suncorp Wholesale Subordinated Notes 1 means the A\$600,000,000 unsecured and subordinated notes issued on 5 September 2018 by the Issuer;

Suncorp Wholesale Subordinated Notes 2 means the A\$250,000,000 unsecured and subordinated notes issued on 1 September 2020 by the Issuer;

Suncorp Wholesale Subordinated Notes 3 means the A\$290,000,000 unsecured and subordinated notes issued on 5 April 2022 by the Issuer;

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

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

- (a) any amendment to, clarification of, or change (including any announcement of a change that has been or will be introduced), in the laws or treaties or any regulations of Australia or any political subdivision or taxing authority of Australia affecting taxation;
- (b) any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) affecting taxation (**Administrative Action**); or
- (c) any amendment to, clarification of, or change in an Administrative Action that provides for a position that differs from the current generally accepted position; or
- (d) a challenge asserted or threatened in writing in connection with the Notes relating to taxation,

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

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

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

Tax Legislation means:

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

Terms means these terms and conditions as supplemented and amended for any particular Notes by the terms of the relevant Pricing Supplement;

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

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

Tranche means an issue of Notes specified as such in the relevant Pricing Supplement which are issued on the same terms except that the Issue Date and first Interest Payment Date may be different;

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

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

VWAP means, subject to any adjustments made under clause 8, the average of the daily volume weighted average prices of Ordinary Shares traded on ASX during the relevant period or the relevant days (such average being rounded to the nearest full cent) but does not include any “Crossing” transacted outside the “Open Session State” or any “Special Crossing” transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades pursuant to the exercise of options over Ordinary Shares;

VWAP Period means:

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

Winding-up Default has the meaning given in clause 9.1(b);

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

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

Form of Pricing Supplement

The Pricing Supplement that will be issued in respect of each Tranche of Notes will be substantially in the form set out below.

Series No.: [●]

Tranche No.: [●]

Suncorp Group Limited (ABN 66 145 290 124)

Issue of
[Aggregate Principal Amount of Tranche] Notes (the "Notes")

This Pricing Supplement relates to the Tranche of Notes (the "Notes") referred to above. The date of this Pricing Supplement is [●]. It is supplementary to, and should be read in conjunction with the Suncorp Wholesale Subordinated Notes Deed Poll dated [●] 2023 made by Suncorp Group Limited (ABN 66 145 290 124).

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

Notification under section 309B of the Securities and Futures Act 2001 of Singapore – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore ("SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore ("CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A(1) of the SFA), that the securities described herein Subordinated Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore ("MAS") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

- | | | |
|---|---|--|
| 1 | Issuer: | Suncorp Group Limited (ABN 66 145 290 124) |
| 2 | Registrar: | Austraclear Services Limited |
| 3 | If to form a single Series with an existing Series, specify date on which all Notes of the Series become fungible, if not the Issue Date: | [Not applicable]/[●] |
| 4 | Aggregate principal amount of Tranche: | [●] [Specify amount and currency] |
| 5 | Aggregate principal amount of Series (including the Tranche) | [●] [Specify amount and currency] |
| 6 | Issue Date: | [●] |
| 7 | Face Value: | [●] [Specify amount and currency] |

8	Type of Note	[Fixed Rate Note]/[Floating Rate Note]/[Fixed-to-Floating Rate Note]
9	If the Notes are Fixed Rate Notes, specify:	Applicable: [Yes]/[No] <i>[If not applicable, deleting the remaining sub-paragraphs.]</i>
	(a) Fixed Rate:	[●] per cent per annum
	(b) Margin:	[●] per cent per annum
	(c) Interest Payment Dates:	each [●] and [●] <i>[Specify one or more dates per annum]</i> (without adjustment for the Business Day Convention)
	(d) Business Day Convention	[No Adjustment]
10	If the Notes are Floating Rate Notes, specify:	Applicable: [Yes]/[No] <i>[If not applicable, deleting the remaining sub-paragraphs.]</i>
	(a) Margin	[●] per cent per annum
	(b) Interest Payment Dates:	each [●], [●], [●] and [●], as adjusted by the Business Day Convention <i>[Specify one or more dates per annum]</i>
	(c) Business Day Convention	Following Business Day Convention
11	If the Notes are Fixed-to-Floating Rate Notes, specify:	Applicable: [Yes]/[No] <i>[If not applicable, deleting the remaining sub-paragraphs.]</i>
	(a) Fixed Rate:	[●] per cent per annum
	(b) Margin:	[●] per cent per annum
	(c) Floating Rate Commencement Date:	[●]
	(d) Interest Payment Dates:	For the period from (and including) the Issue Date up to (but excluding) the Floating Rate Commencement Date, each [●] and [●]; for the period from (and including) the Floating Rate Commencement Date up to (and including the Maturity Date), each [●], [●], [●] and [●]
	(e) Business Day Convention	[Following Business Day Convention]
12	Maturity Date	[●]

- 13 First Scheduled Optional Redemption or Resale Date [To be at least 5 years after the Issue Date]
- 14 Second Scheduled Optional Redemption or Resale Date [To be the first Interest Payment Date after the Holder Conversion Date]
- 15 Holder Conversion Date [To be at least 2 years after the First Scheduled Optional Redemption or Resale Date]
- 16 Other amendments [Not applicable]/ [Specify any Conditions to be altered, varied, deleted otherwise than as provided above, any additional Conditions to be included and/or any modifications to or additions to the disclosure included in the current version of the Information Memorandum]

[Signature block of Issuer]

Subscription and Sale

Pursuant to the Subscription Agreement dated 22 February 2023 ("**Subscription Agreement**"), Notes will be offered by the Issuer through the Joint Lead Managers. The Issuer will have the sole right to accept any such offers to purchase Notes and may reject any such offer in whole or (subject to the terms of such offer) in part. A Joint Lead Manager will have the right, in its discretion reasonably exercised, to reject any offer to purchase Notes made to it in whole or (subject to the terms of such offer) in part.

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

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

1 General

This Information Memorandum does not constitute an offer of the Notes in any jurisdiction in which it would be unlawful. In particular, this Information Memorandum may not be distributed to any person, and the Notes may not be offered or sold, in any country outside Australia except to the extent permitted below.

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

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

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

The distribution of this Information Memorandum and the offer or sale of Notes in the United States or to, or for the account or benefit of, U.S. Persons is not permitted. For the purposes of Regulation S, Category 2 selling restrictions shall apply.

2 Australia

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

- (a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and

- (b) has not distributed or published and will not distribute or publish, this Information Memorandum or any other offering material or advertisement relating to the Notes in Australia,

unless:

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

3 European Economic Area

Prohibition of sales to European Economic Area Retail Investors

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

- (a) the expression “**EEA Retail Investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “EU Prospectus Regulation”) (“EU Qualified Investor”); and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

This Information Memorandum has not been, and will not be, registered with or approved by any securities regulator in the EEA. Accordingly, this Information Memorandum may not be made available, nor may the Notes be offered for sale, in the EEA except in circumstances that do not require a prospectus under Article 1(4) of the EU Prospectus Regulation.

This Information Memorandum has been prepared on the basis that any offer of Notes in any Member State of the EEA will only be made to a legal entity or person that qualifies as an EU Qualified Investor. This Information Memorandum is not a prospectus for the purposes of the EU Prospectus Regulation.

4 United Kingdom

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of any offering contemplated by this Information Memorandum to any UK Retail Investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**UK Retail Investor**” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA;
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor, as defined in the EU Prospectus Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA ("**UK Qualified Investor**"), and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Neither the information in this Information Memorandum nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the FSMA) has been published or is intended to be published in respect of the Notes.

This Information Memorandum has been prepared on the basis that any offer of Notes in the United Kingdom will only be made to a legal entity or person that qualifies as a UK Qualified Investor. This Information Memorandum is not a prospectus for the purposes of the EU Prospectus Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA. The Notes may not be offered or sold in the United Kingdom by means of this Information Memorandum, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Information Memorandum should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) ("**investment professionals**") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended ("**FPO**"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "**relevant persons**"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

In addition, each Joint Lead Manager has represented and agreed that:

- (c) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (d) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

5 Hong Kong

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered or sold, and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong) ("**SFO**")) other than:

- (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or
 - (ii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue, or have in its possession for the purpose of issue, (whether in Hong Kong or elsewhere) any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are, or are intended to be, disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

No person allotted Notes may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such Notes.

The contents of this Information Memorandum have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any of the contents of this Information Memorandum, you should obtain independent professional advice.

6 Japan

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

7 Republic of Korea

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

Accordingly, the Notes may not be offered or sold in Korea other than to (i) "accredited investors" (as defined in the FSCMA) or (ii) in other circumstances that do not constitute an offer to the public within the meaning of the FSCMA.

8 New Zealand

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

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act;
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act and who has certified that it is an eligible investor; or
- (f) in any other circumstances where there is no contravention of the disclosure requirements of the FMC Act.

9 Singapore

This Information Memorandum and any other materials relating to the Notes have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Notes, may not be issued, circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part 13 of the SFA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Information Memorandum has been given to you on the basis that you are (i) an “institutional investor” (as defined in section 4A(1)(c) of the SFA) or (ii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Information Memorandum immediately. You may not forward or circulate this Information Memorandum to any other person in Singapore.

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

Singapore SFA Product Classification — Pursuant to Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (“**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) CMP Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (“MAS”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

10 Taiwan

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

11 United States of America

This Information Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, a U.S. Person. The Notes and the Ordinary Shares that may be issued upon conversion of the Notes have not been, and will not be, registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States or the securities laws of any other jurisdiction. The Notes and the Ordinary Shares that may be issued upon Conversion of the Notes may not be offered, sold, pledged, delivered, transferred or otherwise disposed of, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons, unless they have been registered under the Securities Act or are offered, sold,

pledged, delivered, transferred or otherwise disposed of, pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence and the following paragraphs, have the meaning given to them by Regulation S under the Securities Act.

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

THE NOTES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance upon Regulation S.

In addition, during the Distribution Compliance Period, an offer or sale of Notes or the Ordinary Shares that may be issued upon conversion of the Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

12 Switzerland

The offering of the Notes in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because such offering is made to professional clients within the meaning of the FinSA only and the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Information Memorandum does not constitute a prospectus or similar communication pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

1 Introduction

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

This summary applies to Holders that are:

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

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

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

2 Australian income tax

Interest payments

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

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

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

Gain on disposal or redemption of the Notes

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

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

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

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

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

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

If a gain realised by a Non-Australian Holder is subject to Australian income tax, depending on the circumstances of the Holder, either the rules relating to “traditional securities” (in sections 26BB and 70B of the Australian Tax Act) or “taxation of financial arrangements” should apply.

Disposal of the Notes under any Resale facility would be treated the same as a disposal of the Notes, as described above.

No gain on Conversion of the Notes

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

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

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

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

3 Australian interest withholding tax

Interest Withholding Tax

For Australian interest withholding tax (“IWT”) purposes, “interest” is defined in section 128A(1AB) of the Australian Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts. The Interest paid on Notes should be “interest” as defined in the Australian Tax Act.

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

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

Section 128F exemption from IWT

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

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

In broad terms, the requirements are as follows:

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

To satisfy the public offer test, the issue of the Notes must result from the Notes being offered for issue using one of the following methods:

- (i) offers to 10 or more unassociated persons, each of whom is carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
 - (ii) offers to 100 or more investors who have acquired debentures or debt interests in the past, or are likely to be interested in acquiring debentures or debt interests;
 - (iii) offers made as a result of the Notes being accepted for listing on a stock exchange;
 - (iv) offers via publicly available information made as a result of negotiations being initiated publicly in electronic form or another form, that is used by financial markets for dealing in debentures or debt interests; or
 - (v) offers to a dealer, manager or underwriter who, under an agreement with the Issuer, offers the Notes for sale within 30 days by one of the preceding methods;
- (c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes (or interests in those Notes) were being, or would later be, acquired, directly or indirectly, by a non-resident “associate” of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act (see below); and
 - (d) at the time of the payment of Interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is a non-resident “associate” of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act (see below).

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

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

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

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

Exemptions under certain double tax conventions

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

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

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

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

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

Payment of Additional Amounts

As set out in more detail in clause 13 of the Terms, if the Issuer is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Australian government in respect of Notes, the Issuer must, subject to certain exemptions contained in clause 13.3 of the Terms, pay such Additional Amounts as may be necessary in order to ensure that the net amounts received by the Holders of those Notes after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required.

4 Other Australian tax matters

Under Australian laws as presently in effect:

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

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

Division 230 does not apply to certain taxpayers or in respect of certain short term “financial arrangements”. For instance, unless the Notes are discounted or deferred interest securities, Division 230 should not, for example, generally apply to Holders of Notes which are individuals and certain other entities (e.g. certain superannuation entities, certain managed investment schemes and companies) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their “financial arrangements”. Potential Holders should seek their own tax advice regarding their own personal circumstances as to whether such an election should be made;

- (b) **stamp duty and other taxes** – no *ad valorem* stamp, issue, registration or similar taxes are payable in Australia on:
- (i) the issue, transfer or redemption of any Notes; or

- (ii) the issue or transfer of Ordinary Shares (including an issue of Ordinary Shares as a result of a Conversion) provided that:
 - (i) if all the shares in the Issuer are quoted on ASX at the time of issue or transfer of the Ordinary Shares, no person, either directly or when aggregated with interests held by associates of that person, obtains an interest in the Issuer of 90% or more; or
 - (ii) if not all the shares in the Issuer are quoted on ASX at the time of issue or transfer of the Ordinary Shares, no person, either directly or when aggregated with interests held by associates of that person, obtains an interest in the Issuer of 50% or more.

The stamp duty legislation generally requires the interests of associates to be added in working out whether the relevant threshold is reached. In some circumstances, the interests of unrelated entities can also be aggregated together in working out whether the relevant threshold is reached;

- (c) **TFN/ABN withholding** – withholding tax is imposed on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“TFN”), (in certain circumstances) an Australian Business Number (“ABN”) or proof of some other exception (as appropriate). Currently, a withholding rate of 47 per cent applies to payments of interest. Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, then withholding will not apply to payments to a Non-Australian Holder. Payments to Australian Holders in respect of Notes may be subject to a withholding where the Australian Holder does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate);
- (d) **dividend withholding tax** — Non-Australian Holders may be subject to dividend withholding tax (“DWT”) on certain distributions paid on equity interests in Australian resident entities (such as Ordinary Shares). Non-Australian Holders should consider the application of DWT in the event the Holder’s Notes are converted into Ordinary Shares. DWT is generally imposed to the extent “franking credits” do not attach to the relevant distribution or the distribution is not declared to be “conduit foreign income”. Australian DWT is imposed at a general rate of 30 per cent but the rate may be reduced under an applicable double tax treaty. The Issuer does not “gross-up” distributions on its Ordinary Shares to account for the imposition of DWT;
- (e) **additional withholdings from certain payments to non-residents** – the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of Notes will need to be monitored by Holders;
- (f) **garnishee directions by the Commissioner of Taxation** – the Commissioner may give a direction requiring the Issuer to deduct from any payment to a Holder of Notes or the holder of an Ordinary Share any amount in respect of Australian tax payable by the Holder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and will make any deduction required by that direction;
- (g) **supply withholding tax** – payments in respect of the Notes can generally be made free and clear of any “supply withholding tax”; and
- (h) **goods and services tax** – neither the issue nor receipt of Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of Face Value or Interest by the Issuer, nor the disposal of Notes, would give rise to any GST liability in Australia.

U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard

FATCA

The Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**"), in an effort to assist the United States Internal Revenue Service ("**IRS**") in enforcing U.S. taxpayer compliance, establish a due diligence, reporting and withholding regime.

Under FATCA, a 30% withholding ("**FATCA withholding**") may be required if (i)(A) an investor does not provide information sufficient for the Issuer or any other non-U.S. financial institution ("**FFI**") through which payments on the Notes are made to determine the Holder's status under FATCA, or (B) an FFI to or through which payments on the Notes are made is a "non-participating FFI"; and (ii) the Notes are treated as debt for U.S. federal income tax purposes and the payment is made in respect of Notes issued or modified after the date that is six months after the date on which final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register, or the Notes are treated as equity for U.S. federal income tax purposes or do not have a fixed term, whenever issued.

FATCA withholding is not expected to apply on payments made before the date that is two years after the date on which final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register.

Reporting Australian Financial Institutions ("**RAFI**") under the Australia-U.S. FATCA Intergovernmental Agreement dated 28 April 2014 ("**IGA**") must comply with specific due diligence procedures. In general, these procedures seek to identify their account holders and provide the ATO with information on financial accounts held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the U.S. Internal Revenue Service. Consequently, Holders may be requested to provide certain information and certifications to the Issuer and to any other financial institutions through which payments on the Notes are made. A RAFI that complies with its obligations under the IGA will not be subject to FATCA withholding on amounts it receives, and will not be required to deduct FATCA withholding from payments it makes, other than in certain prescribed circumstances.

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("**CRS**") requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Holders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 to give effect to the CRS.

Additional Information

Effect on the Issuer of the offer of the Notes: The Notes are being issued as part of the Suncorp Group's ongoing funding and capital management strategy. The Issuer expects to use the proceeds of issue of the Notes to fund Tier 2 Capital (as described in the Prudential Standards issued by APRA) of one or more Regulated Entities within the Suncorp Group and for general funding purposes.

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

Rights and liabilities attaching to the Notes: See the section entitled "Terms of the Notes".

Effect on the Issuer of the issue of the Ordinary Shares if the Notes are Converted: The issuance of Ordinary Shares on Conversion of the Notes will result in an increase in the Issuer's shareholders' equity. The number of Ordinary Shares issued on Conversion is limited to the Maximum Conversion Number.

Rights and liabilities attaching to the Ordinary Shares: Holders will receive Ordinary Shares if Notes are Converted. The rights and liabilities attaching to the Ordinary Shares are set out in the Constitution of the Issuer and are also regulated by the Corporations Act, ASX Listing Rules and the general law.

This section briefly summarises the key rights attaching to the Ordinary Shares. It is not intended to be an exhaustive summary of the rights and obligations of holders of Ordinary Shares. Investors who wish to inspect the Issuer's Constitution may do so at the registered office of the Issuer during normal office hours or may obtain a copy in accordance with the instructions set out below (see "Other information" below).

The key rights attaching to Ordinary Shares are as follows:

- the right to receive notice of, attend and vote at general meetings of Suncorp (either in person or by proxy, attorney or representative) on the basis of one vote on a show of hands or one vote per fully paid Ordinary Share (or a fraction of a vote in proportion to the capital paid up on that Ordinary Share) on a poll;
- the right to receive dividends declared from time to time, as determined by the Board, in their judgement, as the financial position of Suncorp justifies, in proportion to the capital paid up on the Ordinary Shares held by each Shareholder (subject to the rights of holders of securities carrying preferred rights and in accordance with the Constitution and the Corporations Act). Suncorp may be restricted from paying dividends on Ordinary Shares by prudential standards of APRA or, potentially, in particular circumstances by the terms of certain of its regulatory capital instruments;
- the right to receive information required to be distributed under the Corporations Act and the ASX Listing Rules; and
- the right to participate in a surplus of assets on a winding-up of Suncorp in proportion to the capital paid up on the Ordinary Shares at the commencement of the winding-up (subject to the rights of holders of securities carrying preferred rights on winding-up including Capital Notes 2, Capital Notes 3 and Capital Notes 4).

Other information:

The Issuer is admitted to the official list of ASX and is a disclosing entity for the purposes of the Corporations Act. As a disclosing entity, it is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Broadly, these obligations require the Issuer to prepare both annually and half-yearly financial statements, to report on its operations during the relevant accounting period, to obtain an audit or review report from its auditor.

Copies of documents lodged with ASIC can be obtained from, or inspected at, an ASIC office and the Issuer's ASX announcements may be viewed on www.asx.com.au.

The Issuer must ensure that ASX is continuously notified of information about specific events and matters as they arise for the purposes of ASX making the information available to the Australian securities market.

The Issuer has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately when it becomes aware of any information concerning it which a reasonable person would expect to have a material effect on the price or value of its quoted securities, including the Ordinary Shares.

The Issuer will provide a copy of any of the following documents free of charge to any person upon their request:

- 1H23 Issuer Half Year Report;
- FY22 Issuer Annual Report;
- FY21 Issuer Annual Report;
- 1H23 Issuer Investor Pack;
- FY22 Issuer Investor Pack;
- 1H23 Issuer Results Presentation;
- FY22 Issuer Results Presentation;
- Constitution;
- Deed Poll; and
- any continuous disclosure notices released by the Issuer in the period after the release of its financial results for the half year ended 31 December 2022 and before the date of this Information Memorandum.

The financial results for the half year ended 31 December 2022, the annual financial report for the year ended 30 June 2022 and copies of continuous disclosure notices lodged with ASX are available at www.asx.com.au or at www.suncorpgroup.com.au.

The Constitution is available at www.suncorpgroup.com.au.

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

ASX confirmations:

ASX classifies the Notes as equity securities for the purposes of the ASX Listing Rules due to the Holder Conversion feature and ASX has confirmed that:

- ASX Listing Rule 3.20.2 and 3.20.5 will not apply to the Conversion of Notes following the occurrence of a Non-Viability Trigger Event;
- the Notes Terms are, in ASX's opinion, appropriate and equitable for the purposes of ASX Listing Rule 6.1;

- ASX Listing Rules 6.4 to 6.7 (inclusive) do not apply to the Notes, as ASX does not consider Notes to be preference securities for the purposes of the ASX Listing Rules;
- the terms of the APRA constraints on the payment of Interest and potential exercise of the limited amendment powers do not amount to the removal of rights for the purposes of ASX Listing Rule 6.10;
- Conversion, Redemption, Resale or write off of Notes, as provided in the Notes Terms, is appropriate and equitable for the purposes of ASX Listing Rule 6.12;
- ASX does not consider the Notes to be options for the purposes of ASX Listing Rules 6.14 to 6.23 (inclusive); and
- in accordance with ASX Listing Rule 7.2 (Exception 9), there is no further requirement for member approval, or further absorption of placement capacity under ASX Listing Rule 7.1, at the time that Notes are Converted.

ISSUER

Suncorp Group Limited

(ABN 66 145 290 124)

Level 23,

80 Ann Street

Brisbane Qld 4000

Email: Investor.Relations@suncorp.com.au

Attention: Suncorp Investor Relations

ARRANGER

Barrenjoey Markets Pty Limited

(ABN 66 636 976 059)

Level 41, Liberty Place

161 Castlereagh St

Sydney NSW 2000

JOINT LEAD MANAGERS

Barrenjoey Markets Pty Limited

(ABN 66 636 976 059)

Level 41, Liberty Place

161 Castlereagh St

Sydney NSW 2000

Telephone: +61 2 9903 6000

Attention: Head of Debt Capital Markets

Citigroup Global Markets Australia Pty Limited

(ABN 64 003 114 832)

Level 23, 2 Park Street

Sydney NSW 2000

Telephone: +61 2 8225 6428

Attention: Head of Capital Markets

UBS AG, Australia Branch

(ABN 47 088 129 613)

Level 16, Chifley Tower

2 Chifley Square

Sydney NSW 2000

Telephone: +61 2 9324 3635 Attention:

Paul Neumann

Westpac Banking Corporation

(ABN 33 007 457 141)

Level 3, Westpac Place

275 Kent Street

Sydney NSW 2000

Telephone: +61 2 8253 4583 Attention:

Managing Director, DCM, Syndicate & Solutions

REGISTRAR

Austraclear Services Limited

(ABN 28 003 284 419)

20 Bridge Street

Sydney NSW 2000

Telephone: +1300 362 257

Facsimile: +61 2 9256 0456

Attention: Senior Manager, Post Trade Operations