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BUILDING FUTURES AND
PROTECTING WHAT MATTERS

Suncorp Group Limited
Capital Notes 5 Prospectus

Prospectus for the issue of Capital Notes 5 to raise $360 million
with the ability to raise more or less

Issuer

Suncorp Group Limited
ABN 66 145 290 124

Arranger

UBS AG, Australia Branch

Joint Lead Managers

Commonwealth Bank of Australia

Morgans Financial Limited

National Australia Bank Limited

UBS AG, Australia Branch

Westpac Institutional Bank (a division of Westpac Banking Corporation)

Co-Managers

JBWere Limited

LGT Crestone Wealth Management Limited

Wilsons Advisory and Stockbroking Limited

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Important notices

About this Prospectus

This Prospectus relates to the offer by Suncorp Group Limited (ABN 66 145 290 124) (**Suncorp**) of Capital Notes 5 to raise $360 million with the ability to raise more or less (the **Offer**).

This Prospectus is dated and was lodged with the Australian Securities and Investments Commission (**ASIC**) on 24 April 2024 pursuant to section 713(1) of the Corporations Act (as modified by ASIC Corporations (Offers of Convertibles) Instruments 2016/83). This is a replacement Prospectus which replaces the prospectus dated 16 April 2024 and lodged with ASIC on that date (**Original Prospectus)**. This Prospectus expires on the date which is 13 months after 16 April 2024 (**Expiry Date**) and no Capital Notes 5 will be issued on the basis of this Prospectus after the Expiry Date.

Neither ASIC nor the Australian Securities Exchange (**ASX**) takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Defined words and expressions

Certain capitalised words and expressions used in this Prospectus have defined meanings which are explained in the Glossary in Appendix B of this Prospectus and in the Capital Notes 5 Terms as set out in Appendix A. If there is any inconsistency in definitions between Appendix A and Appendix B, the definitions in Appendix A prevail.

Unless otherwise stated or implied, references to times in this Prospectus are to the time in Sydney, New South Wales, Australia.

Offer and Issuer

The Offer contained in this Prospectus is an offering by Suncorp of Capital Notes 5 at $100 per Capital Note 5 to raise $360 million with the ability to raise more or less.

Capital Notes 5 are issued by Suncorp, an ASX-listed company incorporated in Australia. Suncorp is the ultimate parent company of a group of insurance and banking businesses. References in this Prospectus to Suncorp are to the holding company on a standalone basis and references to the Suncorp Group are to Suncorp and its subsidiaries on a consolidated basis.

This Prospectus describes the activities and the financial performance and position of the Suncorp Group.

Capital Notes 5 are unsecured notes for the purposes of section 283BH of the Corporations Act.

Capital Notes 5 are issued by Suncorp under the Trust Deed and Holders have no direct right to claim against Suncorp except as provided in the Trust Deed (which includes the Terms).

Capital Notes 5 are not deposit or policy liabilities of Suncorp, or any other member of the Suncorp Group, are not protected accounts or policies and are not guaranteed.

Capital Notes 5 are not:

- deposits or policy liabilities of Suncorp, or any other member of the Suncorp Group;
- protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the Banking Act or of the Financial Claims Scheme established under Division 2AA of Part II of the Banking Act;
- protected policies for the purposes of the policyholder protection provisions of the Insurance Act;
- guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction or any other person; or
- secured over any of Suncorp's or any member of the Suncorp Group's assets.

The investment performance of Capital Notes 5 is not guaranteed by Suncorp or any other member of the Suncorp Group or by any other person. An investment in Capital Notes 5 is an investment in Suncorp and may be affected by the ongoing performance, financial position and solvency of Suncorp. The risks associated with investing in these securities could result in the loss of your investment. Information about the risks associated with investing in Capital Notes 5 is detailed in Section 6.

Exposure Period

The Corporations Act prohibited Suncorp from processing Applications to subscribe for Capital Notes 5 under the Original Prospectus in the seven day period after the date of lodgement of the Original Prospectus (**Exposure Period**). This period was to enable the Original Prospectus to be examined by market participants prior to the raising of funds. The examination may have resulted in the identification of certain deficiencies in the Original Prospectus, in which case any Application may have needed to be dealt with in accordance with section 724 of the Corporations Act. Application Forms were not available or accepted during the Exposure Period.

DDO Regime

The DDO Regime applies to the Offer. Under the DDO Regime, Suncorp is required to make a Target Market Determination (**TMD**) to describe the class of Retail Investors that comprises the target market for Capital Notes 5 (the **Capital Notes 5 Target Market**) and conditions on how Capital Notes 5 are to be distributed to help ensure that Retail Investors who acquire Capital Notes 5 are, or are reasonably likely to be, within the Capital Notes 5 Target Market. A copy of the TMD for Suncorp Capital Notes 5 is available at **www.suncorpgroup.com.au/sunpj**. See also Section 7 for further information.

How to obtain a Prospectus

This Prospectus can be obtained electronically from **www.suncorpgroup.com.au/sunpj** or from your Syndicate Broker. Suncorp will not be providing paper copies of this Prospectus.

The Prospectus is only available electronically to you if you are accessing and downloading or printing the electronic copy of the Prospectus in Australia. You should ensure you download and read the entire Prospectus.

How to apply

Applications for Capital Notes 5 under this Prospectus (both for the New Money Offer and Reinvestment Offer) may only be made:

- by Retail Investors who are within the Capital Notes 5 Target Market and have received personal advice from a qualified financial adviser (who is acceptable to a Syndicate Broker) to acquire Capital Notes 5 or by investors who are Wholesale Clients;
- via a Syndicate Broker and by investors who have received an allocation from a Syndicate Broker under the Bookbuild to apply; and
- during the Offer Period.

You should contact your Syndicate Broker to obtain more information on whether you satisfy the eligibility requirements.

There is no securityholder offer and no Applications can be made directly to Suncorp.

See Section 7 for further information.

Providing personal information

You will be asked to provide personal information to Suncorp via its agent Registry if you apply for Capital Notes 5. See Section 9.13 for details of how your personal information is handled.

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Restrictions in foreign jurisdictions

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. As at the date of this Prospectus, no action has been taken to register or qualify Capital Notes 5 or the Offer or to otherwise permit a public offering of Capital Notes 5 outside Australia.

This Prospectus may not be distributed or released, in whole or in part, in the United States. Neither Capital Notes 5 nor Ordinary Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state of the United States, and they may not be offered or sold in the United States. Capital Notes 5 are being offered and sold under the Offer solely outside the United States pursuant to Regulation S under the U.S. Securities Act.

See Section 7 for more information.

Past financial performance information

Historical financial information in this Prospectus is for information purposes only and is not a forecast of future performance. Past performance or trends should not be relied on as being indicative of future performance or trends.

Financial information and forward-looking statements

Section 5 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is also set out in Section 5.

All financial amounts contained in this Prospectus are expressed in Australian dollars and rounded to the nearest million unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties.

Any forward-looking statements are subject to various risk factors that could cause actual circumstances or outcomes to differ materially from the circumstances or outcomes expressed, implied or anticipated in these statements. Forward-looking statements should be read in conjunction with the risk factors, as set out in Section 6, and other information in this Prospectus.

No representations other than in this Prospectus

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. You should rely only on information in this Prospectus.

Unless otherwise indicated, all information in this Prospectus, while subject to change from time to time, is current as at the date of this Prospectus.

No personal investment advice

The information provided in this Prospectus is not personal investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read this Prospectus in full before deciding to invest in Capital Notes 5 and consider the risks that could affect the performance of Capital Notes 5.

If you wish to apply for Capital Notes 5, it is strongly recommended that you seek professional guidance which takes into account your particular investment objectives, financial situation and needs from a qualified professional adviser who is licensed by ASIC to give such advice.

No cooling-off rights

Investors should note that no cooling-off rights (whether by law or otherwise) apply to an Application for Capital Notes 5. This means, that in most circumstances, you cannot withdraw your Application once it has been lodged, except as permitted under the Corporations Act.

ASX quotation

Suncorp has applied for Capital Notes 5 to be quoted on ASX. Capital Notes 5 are expected to trade under ASX code 'SUNPJ'.

Website

The Suncorp Group maintains a website at **www.suncorpgroup.com.au**. Information contained in, or otherwise accessible through this or a related website is not part of this Prospectus.

This Prospectus does not provide financial product or investment advice — you should seek your own professional investment advice.

Capital Notes 5 are complex and involve more risks than a simple debt or ordinary equity security. Capital Notes 5 are not suitable for all investors and contain features which may make the Terms difficult to understand.

The information in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs as an investor. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues). See, in particular, the risks set out in Section 6. If you are a Retail Investor and wish to participate in the Offer (both for the New Money Offer and the Reinvestment Offer), you must:

- speak to your Syndicate Broker (a list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers are listed in the Corporate Directory at the end of this Prospectus); and
- meet the key eligibility requirements in the TMD and seek professional advice from a qualified financial adviser (who is acceptable to a Syndicate Broker) as to whether you are within the Capital Notes 5 Target Market and if an investment in Capital Notes 5 is suitable in light of your particular investment objectives, financial situation and needs.

None of the Joint Lead Managers or their respective directors, officers, employees or advisors have caused the lodgement of this Prospectus, are the issuer of any notes pursuant to it, nor have they made any statements in the Prospectus, other than references to their names and do not accept responsibility for any statements in the Prospectus other than references to their names, nor any omissions from the Prospectus.

This Prospectus contains information in relation to (amongst other things) the Reinvestment Offer. Neither Suncorp nor any other person is providing any investment advice or making any recommendation to Eligible Capital Notes 2 Holders in respect of the Reinvestment Offer.

Diagrams

The diagrams used in this Prospectus are illustrative only. They may not necessarily be shown to scale. The diagrams are based on information which is current as at the date shown.

Enquiries

If you are considering applying for Capital Notes 5 under the Offer, this document is important and should be read in its entirety.

If you have any questions in relation to the Offer, please telephone the Capital Notes 5 Offer Information Line on 1300 882 012 (within Australia) or +61 2 8767 1219 (outside Australia) Monday to Friday 8:30am to 7:30pm (AEST).

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Guidance for Retail Investors

Read this Prospectus in full	– If you are considering applying for Capital Notes 5 under the Offer, this Prospectus is important and should be read in its entirety.
	– You should have particular regard to the:
	  – 'Important notices' at the front of this Prospectus;
	  – 'Investment overview' in Section 1 and 'About Capital Notes 5' in Section 2;
	  – 'About the Reinvestment Offer' in Section 3 (if you are an Eligible Capital Notes 2 Holder);
	  – 'Investment risks' in Section 6; and
	  – 'Capital Notes 5 Terms' in Appendix A.
	– In considering whether to apply for Capital Notes 5, it is important that you consider all risks and other information regarding an investment in Capital Notes 5 in light of your particular investment objectives and circumstances.

Speak to your Syndicate Broker and obtain personal advice	– Capital Notes 5 are complex and involve more risks than a simple debt or ordinary equity security. Capital Notes 5 are not suitable for all investors and contain features which may make the Terms difficult to understand. – If you are a Retail Investor and wish to participate in the Offer, you must meet the eligibility requirements in the TMD and seek personal advice from a qualified financial adviser (who is acceptable to a Syndicate Broker) as to whether you are within the Capital Notes 5 Target Market and if an investment in Capital Notes 5 is suitable in light of your particular investment objectives, financial situation and needs. – You can only apply for Capital Notes 5 if you are within the Capital Notes 5 Target Market, you meet the key eligibility requirements in the TMD and you have received personal advice from a qualified financial adviser (who is acceptable to a Syndicate Broker). The Capital Notes 5 Target Market is set out in Section 7. Unlike the previous offers of Capital Notes 4 in September 2021, Capital Notes 3 in November 2019 and Capital Notes 2 in October 2017, Retail Investors wishing to apply for Capital Notes 5 must be in the Capital Notes 5 Target Market and all Applications for Capital Notes 5, including Applications by Eligible Capital Notes 2 Holders, must be submitted through a Syndicate Broker. No Applications can be made directly to Suncorp. – If you have any questions about the Offer, Capital Notes 5 or the Capital Notes 5 Target Market, you should contact a Syndicate Broker or other professional adviser or seek personal advice from a qualified financial adviser who is licensed by ASIC to give that advice. – A list of the Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory at the end of this Prospectus. – ASIC has published guidance on how to choose a qualified financial adviser on its MoneySmart website. You can read this guidance by searching for the term 'choosing a financial adviser' at **www.moneysmart.gov.au**.
Capital Notes 2 Holders	– This Prospectus contains information relevant to Capital Notes 2 Holders. If you are an Eligible Capital Notes 2 Holder, you may be eligible to reinvest your Capital Notes 2 into Capital Notes 5 under the Reinvestment Offer. – Participation in the Reinvestment Offer is optional. If you choose not to participate, you will continue to hold your Capital Notes 2 in accordance with the Capital Notes 2 Terms. – Suncorp currently has an option to convert, redeem or resell the Capital Notes 2 on 17 June 2024 and will consider converting, redeeming or reselling the Capital Notes 2 which are still on issue on that date, subject to various factors (including satisfactory completion of the Offer, market conditions closer to 17 June 2024 and any required regulatory approvals).

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Consider ASIC guidance for Retail Investors	– ASIC has published guidance on hybrid securities on its MoneySmart website which may be relevant to your consideration of Capital Notes 5. You can find this guidance by searching 'hybrid securities' at **www.moneysmart.gov.au**. – The guidance includes a series of questions you should ask before you invest in hybrid securities to check your understanding of how hybrid securities work, their features and risks.
Obtain more information about Suncorp and Capital Notes 5	– Suncorp is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. Suncorp must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about Suncorp that a reasonable person would expect to have a material effect on the price or value of its securities, including Capital Notes 5. – Copies of documents lodged with ASIC, which are publicly available, can be obtained from ASIC's website **www.asic.gov.au** (a fee may apply) and Suncorp's ASX announcements may be viewed at **www.asx.com.au**.
Use of franking credits	– The value and availability of franking credits to you will depend on your particular circumstances and the tax rules that apply to each Distribution.
Enquiries	– If you have any questions in relation to the Offer, please see **www.suncorpgroup.com.au/sunpj** or call the Capital Notes 5 Offer Information Line on 1300 882 012 (within Australia) or +61 2 8767 1219 (outside Australia) Monday to Friday 8:30am to 7:30pm (AEST) or call a Syndicate Broker.

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Impact of the DDO Regime

Design and Distribution Obligations	– Capital Notes 5 will be the first retail hybrid security issued by Suncorp under the DDO Regime.
	– The DDO Regime is intended to help investors obtain suitable financial products and imposes obligations that impact how the Offer is made.
	– Under the DDO Regime, Suncorp is required to make and publish a TMD which describes, amongst other things:
	  – the class of Retail Investors that comprises the Capital Notes 5 Target Market; and
	  – the conditions on how Capital Notes 5 are to be distributed under the Offer to help make it likely that investors who acquire Capital Notes 5 are within the Capital Notes 5 Target Market.
	– A summary of the key elements of the DDO Regime and eligibility requirements to apply under the Offer is set out below.

TMD	– The TMD describes the class of Retail Investors that comprises the target market for Capital Notes 5.
	– In response to the DDO Regime:
	  – Suncorp has made the decision not to include a specific offer to Suncorp general securityholders;
	  – Capital Notes 5 will only be available to investors who satisfy the eligibility requirements; and
	  – all Applications under the Offer (including the Reinvestment Offer) must be submitted through a Syndicate Broker.
	– The Capital Notes 5 Target Market is set out in Section 7 and a copy of the TMD is available at www.suncorpgroup.com.au/sunpj**.**

Legal Requirements	– The DDO Regime requires issuers of financial products, amongst other things, to:
	  – prepare a TMD;
	  – set the conditions under which those financial products can be sold to Retail Investors;
	  – take reasonable steps that will, or are reasonably likely to, result in distribution of those financial products consistent with that TMD; and
	  – review the TMD to ensure it remains appropriate.

Distribution Conditions	– The TMD also sets out conditions on the distribution of Capital Notes 5 to Retail Investors that are designed to ensure that they are, or are likely to be, within the Capital Notes 5 Target Market. – Retail Investors must seek personal advice from a qualified financial adviser (who is acceptable to a Syndicate Broker) in relation to the acquisition of Capital Notes 5.

Eligible Investors	**ELIGIBLE RETAIL INVESTORS**
	  – Are over 18 years of age with a registered address in Australia.
	  – Are clients of a Syndicate Broker and have received personal advice from a qualified financial adviser (who is acceptable to a Syndicate Broker) in connection with the Offer.
	INELIGIBLE RETAIL INVESTORS
	  – Investors who are not clients of Syndicate Brokers.
	  – Investors who have not received personal advice from a qualified financial adviser (who is acceptable to a Syndicate Broker) in connection with the Offer.
	  – Investors who otherwise do not meet the other eligibility criteria.
	– The DDO Regime does not apply to Wholesale Clients.

Enquiries	– If you have any questions in relation to the Offer, Capital Notes 5, or the risks associated with them, please contact a Syndicate Broker or a qualified financial adviser for advice. – You can also visit www.suncorpgroup.com.au/sunpj**,** or call the Capital Notes 5 Offer Information Line on 1300 882 012 (within Australia) or +61 2 8767 1219 (outside Australia) Monday to Friday 8:30am to 7:30pm (AEST).

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Key dates

Key dates for the Offer	Date
Announcement of the Offer and lodgement of the Original Prospectus with ASIC	16 April 2024
Bookbuild period commenced for the Syndicate Brokers to determine the Margin	16 April 2024
Announcement of the Margin and confirmation of Bookbuild allocation to Syndicate Brokers	18 April 2024
Lodgement of this Prospectus with ASIC	24 April 2024
Opening Date for eligible investors to apply for Capital Notes 5 allocated by the Syndicate Brokers under the Bookbuild	24 April 2024
Closing Date for eligible investors to apply for Capital Notes 5 allocated by the Syndicate Brokers under the Bookbuild (5:00pm AEST)	9 May 2024
Issue Date	14 May 2024
Capital Notes 5 commence trading on ASX (normal settlement basis)	15 May 2024
Holding Statements despatched by	16 May 2024
Key dates for Capital Notes 5	**Date**
First Distribution Payment Date	17 September 2024
First Optional Exchange Date	17 June 2030
Second Optional Exchange Date	17 September 2030
Third Optional Exchange Date	17 December 2030
Scheduled Mandatory Conversion Date	17 December 2032
Key dates for Capital Notes 2 Holders	**Date**
Record date for determining Eligible Capital Notes 2 Holders for the Reinvestment Offer (7:00pm AEST)	8 April 2024
Opening Date for the Reinvestment Offer	24 April 2024
Record date for the Capital Notes 2 First Pro Rata Distribution (7:00pm AEST)	30 April 2024
Closing Date for the Reinvestment Offer (5:00pm AEST)	9 May 2024
Resale of the Participating Capital Notes 2 to the Capital Notes 2 Nominated Purchaser	14 May 2024
Issue Date of Capital Notes 5 for the Reinvestment Offer	14 May 2024
Payment date for Capital Notes 2 First Pro Rata Distribution[1]	14 May 2024
Key dates for Non-Participating Capital Notes 2 Holders	**Date**
Record date for the Capital Notes 2 First Pro Rata Distribution (7:00pm AEST)	30 April 2024
Payment date for the Capital Notes 2 First Pro Rata Distribution[1]	14 May 2024
Record date for the Capital Notes 2 Second Pro Rata Distribution (7:00pm AEST)	31 May 2024
Optional exchange date for the Capital Notes 2 and payment date of the Second Pro Rata Distribution[1]	17 June 2024

1 Subject to no Payment Condition existing in accordance with Capital Notes 2 Terms (as amended).

Dates may change

These dates are indicative only and may change without notice. Except as otherwise specified in the Terms, if any of these dates are not Business Days and an event under the Terms is stipulated to occur on that day, then the event will occur on the next Business Day. Suncorp, the Arranger and the Joint Lead Managers may, at their discretion, agree to vary the timetable, including extending any Closing Date, closing the Offer early without notice or accepting late Applications, whether generally or in particular cases, or withdrawing the Offer at any time before Capital Notes 5 are issued. Eligible investors are encouraged to apply as soon as possible after the Opening Date.

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1. Investment overview

This Section provides a summary of the key features and risks of investing in Capital Notes 5.

Detailed information about these matters is provided in this Prospectus and it is important that you read this Prospectus in full before deciding whether to apply for Capital Notes 5.

1.1 Key features of the offer

Topic	Summary	Further information
What is the Offer?	– The Offer is for the issue of Capital Notes 5 to raise $360 million with the ability to raise more or less. – Suncorp has allocated $360 million of Capital Notes 5 in firm commitments to Syndicate Brokers and Institutional Investors. – The Offer includes a Reinvestment Offer to Eligible Capital Notes 2 Holders to reinvest all or some of their Suncorp Capital Notes 2 in Suncorp Capital Notes 5. – Applications can only be made to Syndicate Brokers (not to Suncorp directly) and Capital Notes 5 are only being offered to investors who satisfy certain eligibility requirements. – The final size of the Offer will depend on the volume of Applications received and accepted under the Reinvestment Offer, with Suncorp reserving the right to scale back Applications or increase the final size of the Offer if there is excess demand.	Section 7
Who is the Issuer?	– The Issuer is Suncorp Group Limited (ABN 66 145 290 124).	Section 4
What are Capital Notes 5?	– Capital Notes 5 are: – **fully paid**—at an Issue Price of $100 per Capital Note 5; – **subordinated**—although Capital Notes 5 have priority over Ordinary Shares and rank equally with Equal Ranking Instruments, they are subordinated to the claims of Senior Ranking Creditors in a Winding-up of Suncorp; – **perpetual**—Capital Notes 5 do not have any fixed maturity date and you may not receive your capital back or receive any Ordinary Shares; – **Redeemable and Resalable**—in certain circumstances, Suncorp may Redeem Capital Notes 5 by paying an amount equal to their Issue Price or may require Holders to Resell their Capital Notes 5 to a third party in exchange for a cash amount equal to their Issue Price (but there are significant restrictions on Redemption or Resale of Capital Notes 5); – **convertible**—in certain circumstances, Capital Notes 5 will Convert into Ordinary Shares; – **unguaranteed and unsecured**—Capital Notes 5 are not guaranteed or secured, are not policy liabilities or deposit liabilities of Suncorp or any member of the Suncorp Group or any other person, and are not protected policies under the Insurance Act or protected accounts under the Banking Act; – **exposed to Non-Viability Trigger Events**—if APRA determines that a Non-Viability Trigger Event has occurred, Capital Notes 5 will be subject to Conversion into Ordinary Shares or Write-Off, which would likely result in Holders suffering a material loss; and – **listed**—Suncorp has applied for Capital Notes 5 to be quoted on the ASX and Capital Notes 5 are expected to trade under ASX code 'SUNPJ'. Following quotation, Capital Notes 5 may be purchased or sold on the ASX by investors at the prevailing market price. However, Capital Notes 5 may trade at a market price above or below the face value of $100 per Capital Note 5 and there may be no liquid market in Capital Notes 5. – The Terms are complex and include features to comply with the regulatory capital requirements which APRA applies to these types of securities and to qualify for rating agency equity credit. Suncorp's ability to pay a Distribution or to Exchange Capital Notes 5 is, in each case, subject to a number of restrictions, including, in the case of a payment of a Distribution, APRA not objecting to the Distribution payment and, in the case of an optional Exchange, APRA giving its prior written approval to the Exchange. Holders should not assume that APRA's approval will be given, if requested.	Section 2
What is the Issue Price?	– $100 per Capital Note 5. This is the price you need to pay to apply for each Capital Note 5 under this Prospectus.	

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Topic	Summary	Further information
Why is Suncorp issuing Capital Notes 5?	– Capital Notes 5 are being issued as part of Suncorp's ongoing funding and capital management strategy. Suncorp is issuing Capital Notes 5 to raise Eligible Additional Tier 1 Capital, the proceeds of which it expects to use to fund the capital needs of one or more Regulated Entities within the Suncorp Group and for general corporate and funding purposes. – Suncorp currently has an option to convert, redeem or resell the Capital Notes 2 on 17 June 2024 and will consider converting, redeeming or reselling the Capital Notes 2 which are still on issue on that date, subject to various factors (including satisfactory completion of the Offer, market conditions closer to 17 June 2024 and any required regulatory approvals).	Sections 2.6 and 5.4

What Distributions are payable?	– Capital Notes 5 are scheduled to pay quarterly floating rate cash Distribution payments in arrears, as long as Capital Notes 5 remain on issue (subject to no Payment Condition existing).
	– The Distribution Rate is calculated in accordance with the following formula:
	Distribution Rate = (**Bank Bill Rate** + **Margin**) x (1 – **Tax Rate**)
	where:
	  – **Bank Bill Rate** is the 3-month Bank Bill Rate (described in Section 2.1.3) on the first Business Day of the relevant Distribution Period;
	  – **Margin** is 2.80% per annum, as determined under the Bookbuild. The Margin will not change for the term of Capital Notes 5; and
	  – **Tax Rate** is the Australian corporate tax rate applicable to the franking account of Suncorp as at the relevant Distribution Payment Date. As at the date of this Prospectus, the Tax Rate is 30% (but that rate may change).
	– Distributions are discretionary and subject to no Payment Condition existing. This means a Distribution may not be paid. Distributions that are not paid do not accrue and will not be subsequently paid.
		Section 2.1

Will Distributions always be paid?	– Payments of Distributions are at the absolute discretion of Suncorp, which means Suncorp does not have to pay them. Distributions are only payable subject to no Payment Condition existing. – Distributions are non-cumulative which means that Holders will not have any claim or right to compensation if Suncorp does not pay a Distribution. Failure to pay a Distribution when scheduled will not constitute an event of default. – If a Distribution is not paid in full on a Distribution Payment Date, subject to certain exceptions, Suncorp cannot pay or declare or determine to pay any Ordinary Share Dividend, or undertake any Buy-Back or Capital Reduction, until and including the next Distribution Payment Date (unless the Distribution is paid in full within three Business Days of the Distribution Payment Date).	Sections 2.1.7 and 2.1.8
Will Distributions be franked?	– Distributions paid on Capital Notes 5 are expected to be fully franked. – If Distributions are fully franked, the cash amount received by Holders on each Distribution Payment Date is based on the Distribution Rate calculated using the formula above. If a Distribution is not fully franked, it will be adjusted to reflect the applicable Franking Rate. – The ability of Holders to use franking credits will depend on their individual tax position at the time of each Distribution. Holders should also be aware that the potential value of any franking credits does not accrue at the same time as the receipt of any cash Distribution. – Holders should refer to the Australian taxation summary in Section 8 and each Holder should obtain professional advice in relation to their tax position. – The availability of franking credits is not guaranteed.	Section 2.1.5

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Topic	Summary	Further information
Do Capital Notes 5 have a maturity date?	– Capital Notes 5 do not have any fixed maturity date. While Capital Notes 5 are scheduled to Convert into Ordinary Shares on 17 December 2032, that Conversion is subject to conditions which may never be met. As a result, Capital Notes 5 could remain on issue indefinitely and Holders have no right to request or require an Exchange.	Section 6.1.16
Will Capital Notes 5 be Redeemed?	– As described in Section 2.3, if certain conditions are met (including APRA's prior written approval), Suncorp will have a right, but not an obligation, to Redeem Capital Notes 5: – on an Optional Exchange Date, being 17 June 2030, 17 September 2030 or 17 December 2030; or – on the occurrence of a Tax Event or Regulatory Event.	Section 2.3
Will Capital Notes 5 Convert into Ordinary Shares?	– Subject to certain conditions being met, Capital Notes 5 may be Converted into Ordinary Shares in the following circumstances: – Mandatory Conversion on 17 December 2032, (see Section 2.2); – Optional Conversion on an Optional Exchange Date (17 June 2030, 17 September 2030 or 17 December 2030;) or following a Tax Event, a Regulatory Event or a Potential Acquisition Event (see Section 2.3); – Conversion following a Non-Viability Trigger Event (this Conversion is not subject to any conditions) (see Section 2.4); or – Conversion following an Acquisition Event (see Section 2.5). – In each case, each Capital Note 5 will Convert into a number of Ordinary Shares worth approximately $101 based on the Volume Weighted Average Price (**VWAP**) at the time of Conversion[1] except in the case of Conversion following a Non-Viability Trigger Event where Holders are likely to receive a number of Ordinary Shares worth significantly less than $100 per Capital Note 5.	Sections 2.2 to 2.5
In which circumstances may Capital Notes 5 be Written-Off?	– Where Suncorp is required to Convert some or all Capital Notes 5 to Ordinary Shares following a Non-Viability Trigger Event but Conversion does not occur, for any reason, within five Business Days of APRA's Non-Viability Determination, then those Capital Notes 5 will be Written-Off. If this occurs, all rights in relation to those Capital Notes 5 (including in respect of Distributions and return of capital) will be immediately and irrevocably terminated and Holders will lose all of the value of those Capital Notes 5 without compensation. – If Capital Notes 5 are Written-Off, Holders will have no claim on Suncorp (even though Ordinary Shares are still on issue) and they are likely to be worse off than holders of Ordinary Shares.	Section 2.4
What is the regulatory treatment of Capital Notes 5?	– APRA has advised that Capital Notes 5 are eligible for inclusion as Eligible Additional Tier 1 Capital (as defined in Suncorp's NOHC authority).	Section 2.6

1 The number of Ordinary Shares a Holder will receive on Conversion is calculated based on the VWAP during the VWAP Period and is capped at the Maximum Conversion Number. The share price on and after the date of Conversion may be higher or lower than this price.

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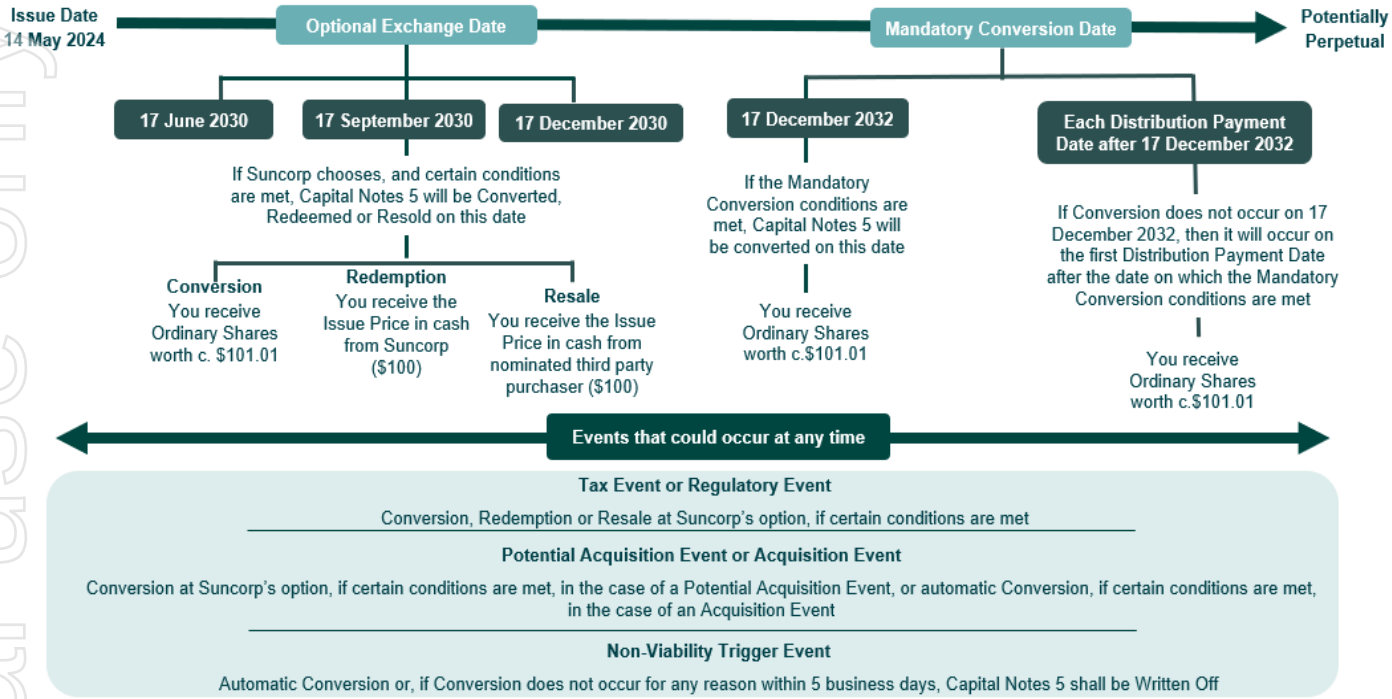
1.2 Summary of events that may affect Capital Notes 5

The diagram below summarises certain events that may occur while Capital Notes 5 are on issue and what Holders may receive if those events occur. If none of these events occur, Capital Notes 5 could remain on issue indefinitely and the Issue Price will not be repaid.



The table below provides summary details about events that may affect what Holders may receive in relation to Capital Notes 5 under the Terms.

Event	When?[1]	Capital Notes 5 impacted	Is APRA approval required?[2]	Do conditions apply?	What value will a Holder receive?[3]	In what form will that value be provided to a Holder?	Further information
Optional Redemption or Resale	On 17 June 2030, 17 September 2030, 17 December 2030 or following a Tax Event or Regulatory Event	All or some	Yes	Yes	$100 per Capital Note 5	Cash	Section 2.3
Optional Conversion	On 17 June 2030, 17 September 2030, 17 December 2030 or following a Tax Event, Regulatory Event or Potential Acquisition Event	All or some	Yes	Yes	Approximately $101 per Capital Note 5	Variable number of Ordinary Shares	Section 2.3
Mandatory Conversion on specified dates	On 17 December 2032	All	No	Yes	Approximately $101 per Capital Note 5	Variable number of Ordinary Shares	Section 2.2
Conversion upon Acquisition Event	On the Acquisition Conversion Date	All	No	Yes	Approximately $101 per Capital Note 5	Variable number of Ordinary Shares	Section 2.5

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Event	When?[1]	Capital Notes 5 impacted	Is APRA approval required?[2]	Do conditions apply?	What value will a Holder receive?[3]	In what form will that value be provided to a Holder?	Further information
Conversion or Write-Off following a Non-Viability Trigger Event	Immediately on a Non-Viability Trigger Event occurring	Potentially all	No (although APRA will determine that a Non-Viability Trigger Event has occurred)	No	Between $101 (and likely to be significantly less) and $0 per Capital Note 5	Variable number (capped at the Maximum Conversion Number) of Ordinary Shares or, if Conversion does not occur Capital Notes 5 will be Written-Off[4]	Section 2.4

1 In the case of Conversion, except for Conversion on account of a Non-Viability Trigger Event, if the relevant conversion conditions are not met, Conversion is deferred to the following Distribution Payment Date on which the relevant Conversion conditions are satisfied.
2 Holders should not assume that APRA's approval will be given, if requested.
3 In the case of Conversion, the value stated is the value a Holder will receive on Conversion based on the share price during a specified period prior to Conversion called the VWAP Period. The VWAP Period is usually a period of 20 Business Days on which trading in Ordinary Shares took place on ASX except in the case of a Non-Viability Trigger Event, where it is five Business Days, and in the case of an Acquisition Event or Potential Acquisition Event, where it may be less than 20 Business Days. The share price on and after the date of Conversion may be higher or lower than this price. Conversion as a result of a Non-Viability Trigger Event is not subject to any conditions and since the Conversion Number is capped at the Maximum Conversion Number the value received is likely to be substantially less than $101 per Capital Note 5.
4 If a Capital Note 5 is Written-Off, all rights (including to Distributions) in respect of that Capital Note 5 are terminated and the Holder will not receive their capital back.

1.3 Ranking of Capital Notes 5 in a Winding-up of Suncorp

In a Winding-up of Suncorp, Capital Notes 5 rank ahead of Ordinary Shares, equally among themselves and other Equal Ranking Instruments (including Capital Notes 2, Capital Notes 3 and Capital Notes 4) and behind all Senior Ranking Creditors, as illustrated below.

	Type	Illustrative examples
Higher ranking	**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	Suncorp Wholesale Subordinated Notes 5, Suncorp Wholesale Subordinated Notes 4, Suncorp Wholesale Subordinated Notes 3, Suncorp Wholesale Subordinated Notes 2 and other subordinated and unsecured debt obligations
	Perpetual and subordinated instruments	Capital Notes 5, Capital Notes 4, Capital Notes 3, Capital Notes 2 and any other securities expressed to rank equally with Capital Notes 5 ***If, following a Non-Viability Trigger Event, Capital Notes 5 are Converted into Ordinary Shares, Holders will have a claim as holders of Ordinary Shares. If, following a Non-Viability Trigger Event, Capital Notes 5 are Written-Off, those Capital Notes 5 will never be Exchanged, all rights (including Distributions) in relation to those Capital Notes 5 will be terminated and Holders will not have their capital repaid (even though Ordinary Shares are still on issue) and they are likely to be worse off than holders of Ordinary Shares.***
Lower ranking	**Ordinary equity**	Ordinary Shares

The above diagram illustrates how Capital Notes 5 would rank upon a Winding-up of Suncorp if they are on issue at the time (and have not been required to be Converted or Written-Off). A higher ranking claim is one which will be paid out of Suncorp'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 Issue Price), as there may be insufficient assets remaining to make such payments after higher ranking claims have been paid.

The ranking of Holders in a Winding-up will be adversely affected if a Non-Viability Trigger Event occurs. If, following a Non-Viability Trigger Event, Capital Notes 5 are Converted into Ordinary Shares, Holders will have a claim as holders of Ordinary Shares. If, following a Non-Viability Trigger Event, Capital Notes 5 are Written-Off, those Capital Notes 5 will never be Exchanged, all rights (including Distributions) in relation to those Capital Notes 5 will be terminated and Holders will not have their capital repaid (even though Ordinary Shares are still on issue) and they are likely to be worse off than holders of Ordinary Shares.

Suncorp is a Non-Operating Holding Company (**NOHC**) and substantially all its assets are made up of shares in, or other claims on, Suncorp's subsidiaries. Accordingly, the claims of Holders against Suncorp will be limited to the value of Suncorp's residual claims to the net assets (if any) of the subsidiaries, after all liabilities of those subsidiaries, including liabilities to depositors, policyholders and other creditors, have been discharged or provided for.

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1.4 Comparison between Capital Notes 5 and other types of investments

Capital Notes 5 are different from other types of investments such as term deposits with an ADI and ordinary shares. The table below compares the key features of Capital Notes 5 to some other types of investments in the Suncorp Group. You should consider these differences in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) before deciding whether to apply for Capital Notes 5. Suncorp strongly recommends that you seek professional advice from a qualified financial adviser (who is acceptable to a Syndicate Broker), which takes into account your particular investment objectives and circumstances.

Feature	Standard term deposit	Suncorp Capital Notes 2, Capital Notes 3 and Capital Notes 4	Suncorp Capital Notes 5	Suncorp Ordinary Shares
ASX code	Not applicable	CN2: SUNPG CN3: SUNPH CN4: SUNPI	Expected to be SUNPJ	SUN
Issuer	Suncorp-Metway Limited	Suncorp Group Limited	Suncorp Group Limited	Suncorp Group Limited
Legal form	Bank deposit	Unsecured, subordinated debt	Unsecured, subordinated debt	Ordinary share
Maturity	One month to five years	Perpetual	Perpetual	Perpetual
Ranking in Winding-up	Senior to general unsecured creditors of Suncorp-Metway Limited[1]	Equally with Capital Notes 5	Equally with Capital Notes 2, Capital Notes 3 and Capital Notes 4[2]	Junior to all creditors, including Capital Notes 5
Protected under the Financial Claims Scheme	Yes[3]	No	No	No
Transferable on market	Term deposits are not listed	Yes	Yes	Yes
Distribution rate	Interest rate is fixed (varies across different amounts, terms and interest payment arrangements)	CN2: floating (bank bill rate + 3.65% per annum) CN3: floating (bank bill rate + 3.00% per annum) CN4: floating (bank bill rate + 2.90% per annum)	Floating (Bank Bill Rate + fixed 2.80% per annum Margin as determined under the Bookbuild)	Variable dividends
Distribution frequency	Monthly, quarterly, semi-annually, annually or on maturity depending on the term	Quarterly	Quarterly	Semi-annually
Distribution discretionary	No	Yes	Yes	Yes
Distribution cumulative	Interest payments cannot be waived or deferred	Non-cumulative	Non-cumulative	Non-cumulative
Contractual restriction on ordinary share dividends if distribution not paid	No	Yes, until the next distribution payment date	Yes, until the next Distribution Payment Date	n/a
Franking	Interest payments are not franked	Expected to be fully franked	Expected to be fully franked	Expected to be fully franked
Non-viability conversion or write-off	No	Yes	Yes[4]	n/a
Issuer's optional redemption[6]	No	Yes	Yes	No

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Feature	Standard term deposit	Suncorp Capital Notes 2, Capital Notes 3 and Capital Notes 4	Suncorp Capital Notes 5	Suncorp Ordinary Shares
Issuer's optional resale[5]	No	Yes	Yes	No
Issuer's optional conversion[5]	No	Yes	Yes	n/a
Scheduled mandatory conversion	No	Yes	Yes	n/a
Mandatory conversion on acquisition event	No	Yes	Yes	n/a
Treated as regulatory capital	No	Yes, Eligible Additional Tier 1 Capital	Yes, Eligible Additional Tier 1 Capital	Yes, CET1 Capital

1 As provided in section 13A of the Banking Act.
2 Any return in a Winding-up may be adversely affected if APRA determines that a Non-Viability Trigger Event has occurred, as described in Sections 1.3, 2.4.4 and 6.1.12.
3 Up to $250,000 in aggregate across all accounts that an account holder has with an Australian authorised deposit-taking institution (**ADI**) declared subject to the Financial Claims Scheme.
4 If Capital Notes 5 are not Converted when required, those Capital Notes 5 are Written-Off and all obligations are terminated. In this scenario, Holders will likely be worse off than holders of Ordinary Shares as described in Sections 2.4.9 and 6.1.12.
5 Optional Redemption, Resale and Conversion are on specified dates and following a Tax Event or Regulatory Event. Optional Conversion may also occur after a Potential Acquisition Event.

1.5 Key risks associated with Capital Notes 5

Before applying for Capital Notes 5, you should consider whether Capital Notes 5 are a suitable investment for you. There are risks associated with an investment in Capital Notes 5 and in Suncorp, many of which are outside the control of Suncorp and its Directors. These risks include those described in this Section 1.5 and more fully in Section 6, and other matters referred to in this Prospectus.

Capital Notes 5 are complex and involve more risks than a simple debt or ordinary equity security. Capital Notes 5 are not suitable for all investors and contain features which may make the Terms difficult to understand.

The risks associated with Capital Notes 5 could result in the loss of your investment capital and associated income. The investment performance of Capital Notes 5 is not guaranteed by Suncorp or any other person. If you are a Retail Investor and wish to participate in the Offer, you must meet the eligibility requirements in the TMD and seek professional advice from a qualified financial adviser (who is acceptable to a Syndicate Broker) as to whether you are within the Capital Notes 5 Target Market and if an investment in Capital Notes 5 is suitable for you in light of your particular investment objectives, financial situation and needs.

Topic	Summary	Further information
Not deposits or policy liabilities	– Capital Notes 5 are not deposits or policy liabilities of Suncorp or any member of the Suncorp Group, are not protected accounts under the Banking Act or protected policies under the Insurance Act, and are not guaranteed by any government or other person.	Section 6.1.1
Market price of Capital Notes 5	– The price at which Holders are able to sell Capital Notes 5 on ASX is uncertain. The market price might be below the Issue Price of $100 per Capital Note 5. – Circumstances in which the price of Capital Notes 5 may decline include general financial market conditions, the availability of better rates of return on other securities and investor perception of Suncorp's financial performance or position. – Unlike Ordinary Shares, Capital Notes 5 do not provide a material exposure to growth in the Suncorp Group's business.	Section 6.1.2
Liquidity	– There may be no liquid market for Capital Notes 5. – Holders who wish to sell their Capital Notes 5 may be unable to do so at a price acceptable to them, or at all.	Section 6.1.3

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Topic	Summary	Further information
Fluctuation in Ordinary Share price	– The market price of Ordinary Shares may fluctuate due to various factors, including Australian and worldwide economic conditions, investor perceptions and Suncorp's financial performance and position. In addition, the market price may be affected by the actual or prospective Conversion of Capital Notes 5. – As a result, Holders receiving Ordinary Shares upon Conversion may not be able to sell those Ordinary Shares at the price on which the Conversion calculation was based, or at all.	Section 6.1.4
Distributions may not be paid	– There is a risk that Distributions may not be paid as they are discretionary and will not be paid if a Payment Condition exists. Payment Conditions include APRA objecting to the payment, Suncorp becoming insolvent as a result of the payment or the Suncorp Group not complying with APRA's prudential capital requirements as a result of the payment. – Distributions are non-cumulative. Accordingly, in the event that Suncorp does not pay a scheduled Distribution, a Holder has no entitlement to that Distribution. – Non-payment of a Distribution is not an event of default.	Sections 6.1.5, 6.1.6 and 6.1.7
Changes in Distributions	– The Distribution Rate will fluctuate over time (it may increase and/or decrease) as a result of movements in the Bank Bill Rate. – The Distribution Rate may be less than the Margin, or zero, depending on the levels of the Bank Bill Rate and the Tax Rate. – There is a risk that the Distribution Rate may become less attractive when compared with the rates of return available on comparable securities or financial products. – The amount of cash Distributions will fluctuate with any change in the rate of franking of Distributions.	Sections 6.1.8 and 6.1.9
It is not certain whether and when Capital Notes 5 may be Exchanged	– There are a number of scenarios in which Capital Notes 5 may be Exchanged. It is uncertain whether and when Exchange may occur. The timing of any Exchange may not suit Holders. – Capital Notes 5 may not be Exchanged at all, in which case they may remain on issue indefinitely and you may not receive your capital back or receive any Ordinary Shares.	Sections 6.1.11 to 6.1.14
No right for Holders to request Exchange	– Holders have no right to request that their Capital Notes 5 be Exchanged. To realise their investment, unless their Capital Notes 5 are Exchanged, Holders would need to sell their Capital Notes 5 on ASX at the prevailing market price. That price may be less than the Issue Price and there may be no liquid market in Capital Notes 5.	Section 6.1.11
Conversion or Write-Off following a Non-Viability Trigger Event	– If Conversion occurs following a Non-Viability Trigger Event, the Holder may receive Ordinary Shares worth significantly less than $101 per Capital Note 5. – In cases where Conversion does not occur for any reason (including an Inability Event) within five Business Days after the Trigger Event Date, those Capital Notes 5 which are required to be Converted will be Written-Off. – If Capital Notes 5 are Written-Off, all rights in relation to those Capital Notes 5 (including Distributions) will be terminated and Holders will not receive their capital back or receive compensation in relation to those Capital Notes 5.	Section 6.1.12
Restrictions on rights and ranking in a Winding-up of Suncorp	– In a Winding-up of Suncorp, Capital Notes 5 rank for payment ahead of Ordinary Shares, equally with Equal Ranking Instruments (which include Capital Notes 2, Capital Notes 3 and Capital Notes 4) but behind all Senior Ranking Creditors. – If there is a shortfall of funds on a Winding-up of Suncorp to pay all amounts ranking senior to and equally with Capital Notes 5, Holders will lose all or some of their investment. – If Capital Notes 5 have been Converted into Ordinary Shares prior to a Winding-up of Suncorp, the Ordinary Shares received on Conversion will rank equally with other Ordinary Shares. As such, a Holder's claim in a Winding-up of Suncorp will rank lower than it would have if Capital Notes 5 had not been Converted. – If Capital Notes 5 are Written-Off, those Capital Notes 5 will never be Exchanged and therefore Holders will not receive their capital back or receive compensation (even though Ordinary Shares are still on issue) and they are likely to be worse off than holders of Ordinary Shares. – Suncorp is a NOHC and substantially all its assets are made up of shares in, or other claims on, Suncorp's subsidiaries. Accordingly, the claims of Holders against Suncorp will be limited to the value of Suncorp's residual claims to the net assets (if any) of the subsidiaries, after all liabilities of the relevant companies, including to depositors and policyholders, have been discharged or provided for.	Section 6.1.16

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Topic	Summary	Further information
Further issues or redemptions of securities by Suncorp	– There is no limit on the amount of senior debt or other obligations or securities that may be incurred or issued by Suncorp at any time, which may affect a Holder's ability to be repaid on a Winding-up of Suncorp. – There is no restriction on Suncorp redeeming or otherwise repaying other securities it may have on issue from time to time, including other securities which rank equally with or junior to Capital Notes 5 (other than to the extent the Distribution Restriction applies), and an investment in Capital Notes 5 carries no right to be redeemed or otherwise repaid at the same time as Suncorp redeems or otherwise repays other securities.	Section 6.1.17
Suncorp's financial performance and position	– The market price of Capital Notes 5 (and the Ordinary Shares into which they can Convert) may be affected by the Suncorp Group's financial performance and position. For specific risks associated with an investment in Suncorp, see Section 6.2. – The Suncorp Group's financial performance and position may affect the credit ratings associated with Suncorp, which may impact the market price and liquidity of Capital Notes 5 (even though Capital Notes 5 themselves are not rated). Suncorp's credit rating may be revised, withdrawn or suspended by rating agencies at any time.	Section 6.1.18

1.6 Structure of the Offer and Applications

Topic	Summary	Further information

How is the Offer structured and who can apply?	– The Offer comprises:
	  – a New Money Offer made to eligible clients of the Syndicate Brokers and Institutional Investors wishing to make a new investment in Capital Notes 5; and
	  – a Reinvestment Offer made to eligible clients of the Syndicate Brokers and Institutional Investors, who are Eligible Capital Notes 2 Holders wishing to reinvest some or all of their Capital Notes 2 in Capital Notes 5
	– Applications (under both the New Money Offer and Reinvestment Offer) will only be accepted from investors who satisfy the eligibility requirements in accordance with the TMD.
	– Both components of the Offer require Applications to be made through a Syndicate Broker. No Applications can be made directly to Suncorp.
		Section 7

What is the Target Market Determination?	– Suncorp has made a target market determination for Capital Notes 5 in accordance with its obligations under the DDO Regime. – The TMD describes, amongst other things, the Capital Notes 5 Target Market. – The Capital Notes 5 Target Market is set out in Section 7 and a copy of the TMD is available at **www.suncorpgroup.com.au/sunpj**. – If you are a Retail Investor and wish to participate in the Offer, you must meet the key eligibility requirements in the TMD and seek professional advice from a qualified financial adviser (who is acceptable to a Syndicate Broker) as to whether you are within the Capital Notes 5 Target Market and if an investment in Capital Notes 5 is suitable for you in light of your particular investment objectives, financial situation and needs. – If you have any questions about the Offer, Capital Notes 5, or the Capital Notes 5 Target Market, you should contact a Syndicate Broker or seek personal advice from a qualified financial adviser who is licensed by ASIC to give that advice.	Section 7
What is the Reinvestment Offer?	– The Reinvestment Offer provides Eligible Capital Notes 2 Holders with the opportunity to reinvest their Capital Notes 2 Resale Proceeds into Capital Notes 5 and maintain an ongoing investment in Suncorp. – On the date of the Original Prospectus, Suncorp issued the Capital Notes 2 Exchange Notice in accordance with the Capital Notes 2 Terms. That notice confirms that on 14 May 2024 the Capital Notes 2 Nominated Purchaser will purchase all Participating Capital Notes 2 for $100 per Participating Capital Note 2 (**Capital Notes 2 Resale Proceeds**).	Section 3

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Topic	Summary	Further information

	– To be eligible to participate in the Reinvestment Offer you must be registered as a holder of Capital Notes 2 at 7:00pm (AEST) on 8 April 2024 and you must still be the registered holder at 5:00pm (AEST) on 9 May 2024, which is the Closing Date for the Reinvestment Offer.
	– In addition to this, to be eligible, unless Suncorp determines otherwise, you must:
	  – be shown on the Capital Notes 2 register as having an address in Australia;
	  – not be an individual residing in a member state of the European Union;
	  – not be in the United States or acting as a nominee for, or for the account or benefit of, a U.S. Person (as defined in Regulation S of the U.S. Securities Act), and not otherwise prevented from receiving the Reinvestment Offer or Capital Notes 5 under the laws of any jurisdiction; and
	  – be an Institutional Investor or a client of a Syndicate Broker who is either a Wholesale Client or a Retail Investor who meets the key eligibility requirements in the TMD and has received personal advice from a qualified financial adviser (who is acceptable to a Syndicate Broker) concerning an investment in Capital Notes 5 (and who is otherwise within the Capital Notes 5 Target Market).
	– The options available to Eligible Capital Notes 2 Holders are detailed in Section 3 'About the Reinvestment Offer'.
	– Before submitting an Application under the Reinvestment Offer, Eligible Capital Notes 2 Holders should read Section 3.2 which describes the differences between Capital Notes 2 and Capital Notes 5. In particular, Eligible Capital Notes 2 Holders should note that the margin applicable to Capital Notes 2 is 3.65% per annum, and the Margin for Capital Notes 5 is 2.80% per annum.
	– There are differences between Capital Notes 2 and Capital Notes 5, and Capital Notes 5 may not suit your particular investment objectives, financial situation and needs. If you have any questions about the differences between Capital Notes 2 and Capital Notes 5, Suncorp strongly recommends that you seek personal advice from a qualified financial adviser (who is acceptable to a Syndicate Broker) which takes into account your particular investment objectives, financial situation and needs before deciding whether to invest in Capital Notes 5.	

When is the Offer Period?	– The Offer is open from 24 April 2024 until the Closing Date on 9 May 2024.	Key dates and Section 7
Is there a minimum amount to be raised?	– No. The Offer is for the issue of Capital Notes 5 to raise $360 million with the ability to raise more or less.	Section 7
Is there a minimum Application size?	**New Money Offer** – Yes. Applications must be for a minimum of 50 Capital Notes 5 ($5,000) and, after that, in multiples of 10 Capital Notes 5 ($1,000). **Reinvestment Offer** – There is no minimum number of Capital Notes 2 that you must hold to be able to participate in the Reinvestment Offer. – If you are an Eligible Capital Notes 2 Holder and own less than 50 Capital Notes 2 and you wish to participate in the Reinvestment Offer, you can still apply to participate in the Reinvestment Offer but you must apply to reinvest the Capital Notes 2 Resale Proceeds relating to all of your Capital Notes 2. – If you are an Eligible Capital Notes 2 Holder and you own 50 or more Capital Notes 2 and you wish to participate in the Reinvestment Offer, you must apply to reinvest the Capital Notes 2 Resale Proceeds relating to **at least** 50 of your Capital Notes 2.	Section 7

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Topic	Summary	Further information
How can I apply?	– All Applications, including Applications from Eligible Capital Notes 2 Holders, must be submitted through a Syndicate Broker. – A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory at the end of this Prospectus. – You should contact a Syndicate Broker to obtain more information on whether you meet the eligibility requirements. Your Syndicate Broker can also assist you with how to apply during the Offer Period.	Section 7
How will Capital Notes 5 be allocated?	– Allocations to Syndicate Brokers and Institutional Investors were determined by Suncorp in consultation with the Joint Lead Managers following completion of the Bookbuild. – The allocation policy is described in Section 7. – Suncorp (at its discretion and in consultation with the Joint Lead Managers) reserves the right to scale back Applications under the Offer or increase the final size of the Offer if there is excess demand.	Section 7
Is there brokerage, commission or stamp duty payable?	– No brokerage, commission or stamp duty is payable on your Application. – You may have to pay brokerage but will not have to pay any stamp duty if you sell your Capital Notes 5 on ASX after Capital Notes 5 have been quoted on ASX.	Section 3.1
What are the tax implications of investing in Capital Notes 5?	– A general description of the Australian taxation consequences of investing in Capital Notes 5 is set out in Section 8. – An outline of the Australian taxation consequences of participating in the Reinvestment Offer is also included in Section 8.	Section 8
Where can I find more information about the Offer?	– If you have any questions in relation to the Offer, you should contact a Syndicate Broker or seek personal advice from a qualified financial adviser. Alternatively, you can visit **www.suncorpgroup.com.au/sunpj** or telephone the Capital Notes 5 Offer Information Line on 1300 882 012 (within Australia) or +61 2 8767 1219 (outside Australia) Monday to Friday 8:30am to 7:30pm (AEST).	Section 7

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2. About Capital Notes 5

This Section is intended to provide information about the key features of Capital Notes 5. Where indicated, more detailed information is provided in other Sections of this Prospectus.

2.1 Distribution payments

Capital Notes 5 are scheduled to pay quarterly Distributions, which are expected to be fully franked. A Distribution will be paid only if Suncorp determines to pay it and if other conditions (summarised below) are met.

The Distribution Rate is a floating rate (i.e. it will fluctuate) and is equal to the sum of a market reference rate (the Bank Bill Rate) plus the fixed 2.80% per annum Margin (as determined under the Bookbuild and which will not change for the term of Capital Notes 5), adjusted for Suncorp's Tax Rate.

If a Distribution is not paid, Holders have no right to receive that Distribution at any later time, however (subject to certain exceptions), Suncorp will not be entitled to declare or pay dividends on Ordinary Shares until and including the next Distribution Payment Date.

Topic	Summary	Further information
2.1.1 What are Distributions?	– Distributions are discretionary, non-cumulative, floating rate payments in Australian dollars and are scheduled to be paid quarterly in arrear on the Distribution Payment Dates, as long as Capital Notes 5 remain on issue. – Distributions are subject to no Payment Condition existing in respect of the relevant Distribution Payment Date. – Distributions are expected to be fully franked and, accordingly, Holders are expected to receive franking credits in respect of any Distribution. However, Holders should be aware that the level of franking may vary over time and Distributions may be partially franked, fully franked or not franked at all. – Distributions are non-cumulative. If a Distribution or part of a Distribution is not paid on a Distribution Payment Date, Holders will have no claim or entitlement in respect of non-payment and no right to receive that Distribution at a later time. Failure to pay a Distribution when scheduled will not constitute an event of default.	Clause 3 of the Terms
2.1.2 How will the Distribution Rate be calculated?	– The Distribution Rate for each quarterly Distribution will be calculated using the following formula: Distribution Rate = (**Bank Bill Rate** + **Margin**) x (1 – **Tax Rate**) – where: – **Bank Bill Rate** is the 3-month Bank Bill Rate (described in Section 2.1.3) on the first Business Day of the relevant Distribution Period; – **Margin** is 2.80% per annum as determined under the Bookbuild which will not change for the term of Capital Notes 5; and – **Tax Rate** is the Australian corporate tax rate applicable to the franking account of Suncorp at the relevant Distribution Payment Date. As at the date of this Prospectus, the Tax Rate is 30% (but that rate may change). – As an example, assuming the Bank Bill Rate for a Distribution Period is 4.50% per annum and the Tax Rate is 30%, then the Distribution Rate for that Distribution Period would be calculated as follows: Bank Bill Rate 4.5000% per annum plus Margin 2.8000% per annum Equivalent unfranked Distribution Rate 7.3000% per annum Multiplied by (1 – Tax Rate) x 0.7000 Fully franked Distribution Rate 5.1100% per annum – It is possible for the Bank Bill Rate to become negative. Should this occur, the negative amount will be taken into account in calculating the Distribution Rate. For example, if the Bank Bill Rate is -1.00% per annum and the Tax Rate is 30%, then the Distribution Rate will be 1.2600% per annum.	Clause 3.1 of the Terms

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Topic	Summary	Further information

2.1.3 What is the Bank Bill Rate?	– Currently, the Bank Bill Rate is the primary short-term rate used in the financial markets for the pricing and valuation of Australian dollar securities and as a lending reference rate.
	– The Bank Bill Rate, in respect of a Distribution Period, will be the rate designated 'BBSW' in respect of prime bank eligible securities having a tenor of three months, which ASX (or its successor as administrator of that rate) publishes through information vendors on the first Business Day of the Distribution Period.
	– The graph below illustrates the movement in the Bank Bill Rate over the past 20 years. The rate on 2 April 2024 was 4.3400% per annum.
	– If a Rate Disruption Event has occurred, then, subject to APRA's prior written approval, Suncorp 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, Suncorp:
	  – shall act in good faith and in a commercially reasonable manner;
	  – shall consult with the Rate Disruption Adviser; and
	  – may consult with such sources of market practice as it considers appropriate.
	– 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 Distributions contrary to applicable prudential standards.
	– Broadly, a Rate Disruption Event occurs when Suncorp has received advice from a Rate Disruption Adviser that the Bank Bill Rate:
	  – has been discontinued or otherwise ceased to be calculated or administered; or
	  – 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 Capital Notes 5.
	– Broadly, Replacement Rate means a rate that is generally accepted in the Australian market as the successor to the Bank Bill Rate, or if Suncorp is not able, after making reasonable efforts, to ascertain such rate, or there is no such rate:
	  – a reference rate that is, in Suncorp's opinion, appropriate to floating rate debt securities of a tenor and interest period most comparable to that of Capital Notes 5; or
	  – such other rate as Suncorp determines having regard to available comparable indices.
	Bank Bill Rate (3-month) since 2004
	
	– The above graph is for illustrative purposes only and does not indicate, guarantee or forecast the actual Bank Bill Rate. The actual Bank Bill Rate for the first and any subsequent Distribution Periods may be higher or lower than the rates in the above graph and there is no guarantee that the Bank Bill Rate will be greater than zero throughout the life of Capital Notes 5. If the Bank Bill Rate is negative, the Distribution Rate will be reduced by taking account of the negative value of that rate in the calculation of the Distribution Rate, as set out in Section 2.1.2 (but there is no obligation on Holders to pay Suncorp if the Distribution Rate were to become negative).
		Clause 3.1 of the Terms

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Topic	Summary	Further information
2.1.4 How will the Distribution be calculated for each Distribution Period?	– Distributions scheduled to be paid on each Distribution Payment Date will be calculated using the following formula: $$\text{Distribution on each Capital Note 5} = \frac{\textbf{Distribution Rate} \times \$100 \times \textbf{N}}{365}$$ – where: – **Distribution Rate** means the rate (expressed as a percentage per annum) calculated as set out in Section 2.1.2; and – **N** means the number of days in the Distribution Period calculated as set out in the Terms. – Following the formula above, if the fully franked Distribution Rate was 5.1100% per annum, the cash Distribution on each Capital Note 5 for a Distribution Period of 90 days would be calculated as follows: Fully franked Distribution Rate: 5.1100% per annum Multiplied by $100: x $100 Multiplied by the number of days in the Distribution Period: x 90 Divided by 365: ÷ 365 Fully franked Distribution payment on each Capital Note 5: $1.2600 – The above example is for illustrative purposes only and does not indicate, guarantee or forecast the actual Distribution payment for the first or any subsequent Distribution Period. Actual Distribution payments may be higher or lower than this example. The Distribution Rate for the first Distribution Period will be set on the Issue Date and will include the Margin of 2.80% per annum as determined under the Bookbuild (which will not change for the term of Capital Notes 5).	Clause 3.1 of the Terms
2.1.5 What is the impact of franking credits?	– Distributions paid on Capital Notes 5 are expected to be fully franked. However, Holders should be aware that franking is not guaranteed. – Holders are expected to receive franking credits in respect of any Distribution as long as Capital Notes 5 remain on issue. The level of franking may vary over time and Distributions may be partially franked, fully franked or not franked at all. – If any Distribution is not franked or only partially franked, the amount of the scheduled cash Distribution will be increased to compensate for the unfranked component according to the following formula: $$\frac{\textbf{D}}{1 - [\text{Tax Rate} \times (1 - \textbf{F})]}$$ – where: – **D** is the Distribution (as defined above in Section 2.1.4); and – **F** is the applicable Franking Rate. For example, if the Franking Rate applicable to the Distribution was only 90% and the Tax Rate was 30%, then the cash Distribution on each Capital Note 5 for the Distribution Period (if the Distribution Period was 90 days) would be calculated as follows: Fully franked Distribution Rate: 5.1100% per annum Multiplied by $100: x $100 Multiplied by the number of days in the Distribution Period: x 90 Divided by 365: ÷ 365 Sub-total: $1.2600 Divided by 1 – [0.3 x (1 – 0.9)]: ÷0.9700 Partially franked Distribution payment on each Capital Note 5: $1.2990 – Holders should be aware that the potential value of any franking credits does not accrue at the same time as the receipt of any cash Distribution. Holders should also be aware that the ability to use the franking credits, either as an offset to a tax liability or by claiming a refund after the end of the income year, will depend on the individual tax position of each Holder. – If the Tax Rate were to change, the cash amount of Distributions and the amount of any franking credits will change. For example, if the Tax Rate decreases, the cash amount of any Distribution Suncorp may pay would increase and the franking credits attached to that Distribution would decrease. – Holders should refer to the Australian taxation summary in Section 8 and seek professional advice in relation to their tax position.	Clause 3.2 of the Terms

Topic	Summary	Further information
2.1.6 When are the Distribution Payment Dates?	– The first Distribution Payment Date is 17 September 2024. – The number of days in the first Distribution Period will be 126 days. – Subsequent Distribution Payment Dates are 17 March, 17 June, 17 September and 17 December each year. – If any of these dates is not a Business Day, then the Distribution Payment Date will be the next Business Day.	Clause 3.5 of the Terms

2.1.7 What are the Payment Conditions?	– Distributions may not always be paid. The payment of each Distribution is subject to the following:
	  – Suncorp's absolute discretion; and
	  – no Payment Condition existing in respect of the relevant Distribution Payment Date.
	– A Payment Condition will exist with respect to the payment of a Distribution on a Distribution Payment Date if:
	  – paying the Distribution would result in the Suncorp Group not complying with APRA's then current prudential capital requirements as they are applied to the Suncorp Group (unless approved in writing by APRA);
	  – paying the Distribution would result in Suncorp becoming, or being likely to become, insolvent for the purposes of the Corporations Act; or
	  – APRA objects to the payment of the Distribution.
		Clauses 3.3 and 22.2 of the Terms

2.1.8 What is the Distribution Restriction and when will it apply?	– If for any reason a Distribution has not been paid in full on a Distribution Payment Date (the **Relevant Distribution Payment Date**), Suncorp must not, subject to certain exclusions, without approval of a Special Resolution, until and including the next Distribution Payment Date:
	  – declare or determine to pay or pay an Ordinary Share Dividend; or
	  – undertake any Buy-Back or Capital Reduction,
	  unless the Distribution is paid in full within three Business Days of the Relevant Distribution Payment Date.
	– Failure to pay a Distribution when scheduled will not constitute an event of default.
		Clauses 3.7 and 3.8 of the Terms

2.1.9 How will Distributions be paid?	– Distributions will be made to Holders whose details are recorded in the Register at 7:00pm (AEST) on the relevant record date. – Distributions and any other amount payable in respect of a Capital Note 5 may be paid in Australian dollars in any manner Suncorp decides from time to time, including by any method of direct credit determined by Suncorp to an Australian dollar bank account maintained by the Holder in Australia (or in such other place as Suncorp approves) with a financial institution specified by the Holder to the Registry. – Where no Australian dollar bank account is specified by a Holder, or where Suncorp attempts to pay the relevant amount and the transfer is unsuccessful, the amount Suncorp attempted to pay will be held by Suncorp or on behalf of Suncorp for the Holder without bearing interest and dealt with in accordance with the Terms or applicable law, until such time as claims may no longer be made. – The Terms include detailed provisions for the payment of Distributions — see Clause 15 of the Terms.	Clause 15 of the Terms
2.1.10 Are any deductions made on the Distributions?	– Suncorp may deduct from any Distribution or other amount payable in accordance with the Terms the amount of any withholding or other tax, duty or levy required by any applicable law to be deducted in respect of such amount, or on account of the *Foreign Account Tax Compliance Act* (U.S.) (**FATCA**). – Suncorp is not required to pay an additional amount where it has made a deduction as described above.	Clauses 15.7 and 15.8 of the Terms

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2.2 Mandatory Conversion

Suncorp must convert any Capital Notes 5 outstanding on 17 December 2032 into Ordinary Shares, provided that certain conditions (summarised below) are met (and failing that, on the next Distribution Payment Date on which those conditions are met). Those conditions may never be met and, accordingly, Capital Notes 5 may never Convert into Ordinary Shares.

The conditions to Mandatory Conversion and the associated Conversion calculations (as set out below) are designed to ensure that Holders receive a number of Ordinary Shares worth approximately $101 for each Capital Note 5 they hold and that those Ordinary Shares are capable of being sold on ASX.

Topic	Summary	Further information
2.2.1 What happens on Mandatory Conversion?	– Holders will receive Ordinary Shares on Conversion of Capital Notes 5 on the Mandatory Conversion Date unless the Mandatory Conversion Conditions are not met, or Capital Notes 5 are not outstanding on that date. – Upon Conversion on a Mandatory Conversion Date, Holders will receive Ordinary Shares worth approximately $101 per Capital Note 5 based on the VWAP during a period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Mandatory Conversion Date. – The number of Ordinary Shares received will not be greater than the Maximum Conversion Number. – The VWAP that is used to calculate the number of Ordinary Shares that Holders receive will most likely differ from the Ordinary Share price on or after the Mandatory Conversion Date. This means that the value of Ordinary Shares received may be worth more or less than $101 per Capital Note 5 when they are issued or at any time after that.	Clauses 4.1, 4.3 and 8 of the Terms
2.2.2 What are the consequences of Mandatory Conversion?	– As a result of any Mandatory Conversion of Capital Notes 5 to Ordinary Shares, Holders will become holders of Ordinary Shares, which will rank equally with existing Ordinary Shares from the date of issue. – For the Suncorp Group more broadly, the composition of the capital base will alter as a consequence of any Mandatory Conversion and result in CET1 Capital increasing and Eligible Additional Tier 1 Capital decreasing.	Clauses 4 and 8 of the Terms
2.2.3 When is the Mandatory Conversion Date?	– The Mandatory Conversion Date will be 17 December 2032 provided the Mandatory Conversion Conditions are met on that date. – If any of the Mandatory Conversion Conditions are not met on that date, then the Mandatory Conversion Date will be the next Distribution Payment Date on which the conditions are met. – These conditions may never be met and, therefore, Capital Notes 5 may never Convert into Ordinary Shares.	Clauses 4.2 and 4.3 of the Terms

2.2.4 What are the Mandatory Conversion Conditions?	– The Mandatory Conversion Conditions are as follows:
	  – **First Mandatory Conversion Condition**: the VWAP of Ordinary Shares on the 25th Business Day before a possible Mandatory Conversion Date is greater than 55.0000% of the Issue Date VWAP;
	  – If no trading in Ordinary Shares took place on the Conversion Date, the VWAP is the VWAP on the first Business Day preceding that date on which trading in Ordinary Shares took place.
	  – **Second Mandatory Conversion Condition**: the VWAP of Ordinary Shares during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) a possible Mandatory Conversion Date is greater than 50.5050% of the Issue Date VWAP; and
	  – **Third Mandatory Conversion Condition**: no Delisting Event applies to Ordinary Shares in respect of a possible Mandatory Conversion Date (broadly, a Delisting Event occurs when Suncorp is delisted from ASX, its Ordinary Shares have been suspended from trading for a certain period or it is prevented by applicable law or order of any court or action of any government authority or any other reason from Converting Capital Notes 5).
		Clauses 4.3 and 8.1 of the Terms

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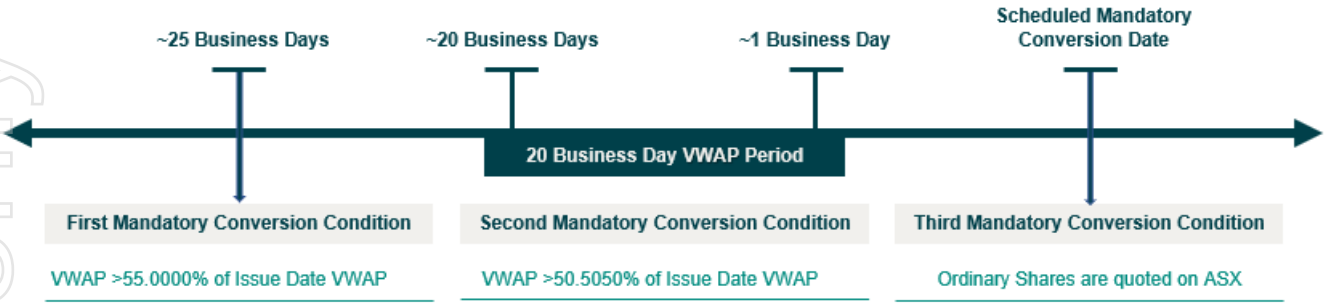
Topic	Summary	Further information

The following diagram illustrates the operation of the conditions.



Note: In the diagram above, dates are set on the assumption that trading takes place on each of the Business Days during the VWAP Period, which may not be the case if trading in Ordinary Shares is suspended during the period leading up to the possible Mandatory Conversion Date.

2.2.5 What is the purpose of the Mandatory Conversion Conditions?	– The purpose of the Mandatory Conversion Conditions is to ensure that Conversion will not occur unless the number of Ordinary Shares that Holders will receive will be worth approximately $101 per Capital Note 5 (calculated as described below) and the Ordinary Shares are capable of being sold on ASX. – The number of Ordinary Shares to be issued on Mandatory Conversion is to be determined by applying a formula reflecting the VWAP of Ordinary Shares described in Section 2.2.7. – There is a cap on the maximum number of Ordinary Shares that a Holder can be issued upon Conversion. The cap is the Maximum Conversion Number. The cap arises from the prudential standards issued by APRA which govern the characteristics of instruments which may qualify as regulatory capital, and from the equivalent criteria of rating agencies for such instruments. Where the number of Ordinary Shares issued is less than the Maximum Conversion Number, the effect of the formula is that the value of these Ordinary Shares (calculated on a VWAP basis) will be approximately $101 per Capital Note 5. If the Ordinary Share price at the time for Conversion has fallen below certain levels, the number of Ordinary Shares received would be limited to the Maximum Conversion Number and would be worth less than $101 per Capital Note 5. – The Maximum Conversion Number is calculated in accordance with the following formula: $\text{Maximum Conversion Number} = \dfrac{\text{Issue Price}}{\text{Issue Date VWAP} \times \text{Relevant Fraction}}$ – where Relevant Fraction is 0.5 in relation to a Mandatory Conversion and 0.2 in the case of any other Conversion. – The First Mandatory Conversion Condition and the Second Mandatory Conversion Condition are intended to help protect Holders against receiving a number of Ordinary Shares limited to the Maximum Conversion Number and, accordingly worth less than $101 per Capital Note 5 (based on the VWAP during the 20 Business Days before the Mandatory Conversion Date). – The Third Mandatory Conversion Condition is intended to protect Holders from the risk of receiving Ordinary Shares that are not capable of being sold on ASX by making Conversion conditional on Ordinary Shares being quoted on ASX.	Clauses 4.3 and 8.1 of the Terms
2.2.6 What can happen if the Mandatory Conversion Conditions are not met?	– If any of the Mandatory Conversion Conditions are not met, Capital Notes 5 continue to be on issue and Conversion is deferred until the next Distribution Payment Date on which all the Mandatory Conversion Conditions are met.	Clause 4.3 of the Terms

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Topic	Summary	Further information
2.2.7 How many Ordinary Shares will a Holder receive on the Mandatory Conversion Date?	– Where the Mandatory Conversion Conditions are met, a Holder will receive, on a Mandatory Conversion Date, a number of Ordinary Shares per Capital Note 5 (**Conversion Number**) calculated in accordance with the following formula: $$\text{Conversion Number} = \frac{\text{Issue Price}}{99\% \times \text{VWAP}}$$ – where: – VWAP is the volume weighted average price of Ordinary Shares during the 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Mandatory Conversion Date. *Illustrative example of Conversion* – Assuming the VWAP is $16.00, the number of Ordinary Shares a Holder would receive following Conversion on a Mandatory Conversion Date would be calculated as follows: Issue Price $100 Divided by VWAP x 0.99 ÷ 15.8400 Ordinary Shares per Capital Note 5 6.3131 – Assuming the price of those Ordinary Shares on the Mandatory Conversion Date is also $16.00, the aggregate value of those Ordinary Shares (calculated by multiplying 6.3131 by $16.00) on the Mandatory Conversion Date would be approximately $101. – Assuming a Holder has 100 Capital Notes 5, the total number of Ordinary Shares to which they would be entitled would be 631 (i.e. 100 x 6.3131) which number is rounded down to disregard the fraction of the Ordinary Share). – The above example is for illustrative purposes only. The actual VWAP and the number of Ordinary Shares that Holders might receive on Conversion on the Mandatory Conversion Date may be higher or lower than in this example. – Where the Ordinary Share price has fallen such that the VWAP during the VWAP Period described in Section 2.2.4 is less than or equal to 50.5050% of the Issue Date VWAP, the Second Mandatory Conversion Condition will not be met and, therefore, Conversion will not occur on that date. The Mandatory Conversion Date will be the next Distribution Payment Date on which the Mandatory Conversion Conditions are met.	Clauses 8 and 22.2 of the Terms
2.2.8 What adjustments to the Issue Date VWAP are made to account for changes to Suncorp's capital?	– The Issue Date VWAP, and consequently the Maximum Conversion Number and the price at which the First Mandatory Conversion Condition and the Second Mandatory Conversion Condition would be met, may be adjusted to reflect a consolidation, division or reclassification of Ordinary Shares and pro rata bonus issues as set out in the Terms (but not other transactions, including rights issues, which may affect the capital of Suncorp). – However, no adjustment shall be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than 1% of the Issue Date VWAP then in effect.	Clauses 8.2 to 8.8 of the Terms

2.3 Optional Exchange by Suncorp

Suncorp may, with APRA's prior written approval, elect to Exchange Capital Notes 5 on 17 June 2030, 17 September 2030 or 17 December 2030 or on the occurrence of certain events. Exchange means a Capital Note 5 is Converted into Ordinary Shares worth approximately $101 or Redeemed or Resold for $100. Some methods of Exchange are not available for some events and may only be used if certain requirements are met.

As with a Mandatory Conversion, there are conditions to an optional Conversion which are designed to ensure that Holders receive a number of Ordinary Shares worth approximately $101 for each Capital Note 5 they hold and that those Ordinary Shares are capable of being sold on ASX.

For any such Redemption, Resale or Conversion to occur, certain conditions (summarised below) need to be met and APRA's prior written approval is required.

Holders should not assume that those requirements will be met or that APRA will give its approval to any Exchange. Holders do not have a right to request Exchange.

In addition, Suncorp (or any Related Entity of Suncorp) may at any time purchase Capital Notes 5 in the open market or otherwise, at any price (subject to the prior written approval of APRA). Any Capital Notes 5 purchased by or on behalf of Suncorp will be cancelled.

Topic	Summary	Further information

2.3.1 When may Suncorp choose to Exchange?	– Suncorp may choose to Exchange:
	  – all or some Capital Notes 5 on an Optional Exchange Date being 17 June 2030, 17 September 2030 or 17 December 2030;
	  – all or some Capital Notes 5 after a Tax Event or a Regulatory Event; or
	  – all (but not some only) Capital Notes 5 after a Potential Acquisition Event.
	– Exchange means:
	  – Suncorp Converts Capital Notes 5 into a variable number of Ordinary Shares with a value (based on the VWAP during a period, usually 20 Business Days, before the Exchange Date) of approximately $101 per Capital Note 5. If Conversion occurs as a result of an Acquisition Event or Potential Acquisition Event, the period for calculating the VWAP may be less than 20 Business Days before the Exchange Date;
	  – Suncorp Redeems Capital Notes 5 for $100 per Capital Note 5;
	  – Suncorp Resells Capital Notes 5 for $100 per Capital Note 5; or
	  – a combination of Conversion, Redemption and Resale.
	– Suncorp may not elect to Redeem or Resell Capital Notes 5 in connection with a Potential Acquisition Event.
	– Suncorp's right to elect to Exchange is subject to APRA's prior written approval and is restricted in circumstances described in Sections 2.3.3, 2.3.4 and 2.3.5.
	– Holders should not assume that APRA will give its approval for any Exchange.
		Clauses 6, 8, 9, 10 and 22.2 of the Terms

2.3.2 What is a Tax Event, Regulatory Event or Potential Acquisition Event?	– A summary of these events, which give Suncorp the right to Exchange Capital Notes 5 is as follows:
	  – **Tax Event** means, broadly, that the Directors receive advice that, as a result of:
	  – a change in tax law or regulation in Australia;
	  – an administrative pronouncement or ruling affecting taxation in Australia; or
	  – a challenge by a taxing authority in Australia in connection with the Capital Notes 5,
	  on or after the Issue Date (which Suncorp did not expect on the Issue Date), there is more than an insubstantial risk which the Directors determine, acting reasonably, to be unacceptable that any Distribution would not be frankable or that Suncorp would be exposed to an increase in its costs (which is not insignificant) in relation to Capital Notes 5.
	  – A **Regulatory Event** will occur if, broadly:
	  – Suncorp receives legal advice that, as a result of a change of law or regulation on or after the Issue Date (not expected by Suncorp on the Issue Date), additional requirements (which are more than insignificant) would be imposed on Suncorp or there would be a more than insignificant negative impact on Suncorp in relation to Capital Notes 5 which the Directors determine, acting reasonably, to be materially adverse to Suncorp; or
	  – the Directors determine that, as a result of such change, Suncorp is not or will not be entitled to treat some or all Capital Notes 5 as Eligible Additional Tier 1 Capital, except where this is because of a limit or other restriction on that treatment which is in effect on the Issue Date or which on the Issue Date is expected by Suncorp may come into effect. For example, a Regulatory Event could include Capital Notes 5 ceasing to be Eligible Additional Tier 1 Capital due to changes in the capital-related prudential standards arising from the consultation foreshadowed in the APRA Discussion Paper.
	  – A **Potential Acquisition Event** will occur if, broadly:
	  – a takeover bid is made to acquire Ordinary Shares and the offer is, or becomes, unconditional and the bidder has a relevant interest in more than 50% of the Ordinary Shares on issue or a majority of Directors recommend acceptance of the offer (without the need that all regulatory approvals necessary for the acquisition have been obtained); or
	  – a court orders the holding of meetings to approve a scheme of arrangement with respect to Suncorp which would result in a person having a relevant interest in more than 50% of the Ordinary Shares on issue after the scheme is implemented.
		Clause 22.2 of the Terms

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Topic	Summary	Further information
2.3.3 What are the requirements for Conversion to be elected as the Exchange Method?	– If Suncorp wishes to Convert Capital Notes 5, there are two types of restrictions that apply: – **Restrictions on choosing to Convert**—Suncorp may not elect to Convert Capital Notes 5 as the Exchange Method if, on the second Business Day before the date on which an Exchange Notice is to be sent: – the VWAP is less than or equal to 22.0000% of the Issue Date VWAP; or – a Delisting Event applies. – **Restrictions on completing the Conversion**— if Suncorp has given notice that it has elected to Convert Capital Notes 5, Suncorp may not proceed to Convert Capital Notes 5 if, on the Exchange Date specified in the notice: – the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) that date is less than or equal to 20.2020% of the Issue Date VWAP; or – a Delisting Event applies. – The percentages used in the above conditions (referred to in the Terms as the **First Test Date Percentage** and the **Conversion Test Date Percentage**) are derived from market precedents and the cap on the number of Ordinary Shares that are permitted to be issued in these circumstances under the prudential standards issued by APRA and rating agency requirements. – Without these conditions, Conversion could occur in situations where Holders would receive a number of Ordinary Shares limited to the Maximum Conversion Number (which in these circumstances is set by dividing the Issue Price by 20% of the Issue Date VWAP (as it may be adjusted according to Section 2.2.8)) and, accordingly those Ordinary Shares could be worth less than $101 per Capital Note 5 (see Section 2.2.5).	Clauses 4.3, 6.5, 6.6 and 8.1 of the Terms
2.3.4 What happens if the Conversion restrictions apply on the Exchange Date?	– If the Conversion restrictions described above apply on the Exchange Date, Suncorp will notify the Trustee and Holders and the Conversion will be deferred until the next Distribution Payment Date on which the restrictions on completing the Conversion described above do not apply (unless Capital Notes 5 are otherwise Exchanged or Written-Off before that date in accordance with the Terms).	Clause 6.6 of the Terms
2.3.5 What are the requirements for Redemption to be elected as the Exchange Method?	– Suncorp may not specify Redemption as the Exchange Method unless: – the Capital Notes 5 which are the subject of the Exchange are replaced concurrently or beforehand with Tier 1 Capital of the same or better quality and the replacement of the Capital Notes 5 is done under conditions that are sustainable for Suncorp's income capacity; or – APRA is satisfied that Suncorp does not have to replace the Capital Notes 5 the subject of the Redemption. Holders should not assume that APRA will be satisfied that this is the case. – Suncorp may not specify Redemption as the Exchange Method in connection with a Potential Acquisition Event.	Clause 6.4 of the Terms
2.3.6 What happens on Resale?	– If Suncorp elects for Capital Notes 5 to be Resold, subject to payment by the Nominated Purchaser(s) of $100 per Capital Note 5 (**Resale Price**), the Holder's Capital Notes 5 will be transferred to the Nominated Purchaser on the Exchange Date.	Clause 10 of the Terms
2.3.7 Are there any restrictions on the identity of Nominated Purchaser(s) that Suncorp can appoint?	– Suncorp may not appoint a person as a Nominated Purchaser unless that person: – has undertaken to acquire Capital Notes 5 from each Holder on the terms and conditions that Suncorp reasonably determines for the benefit of each Holder; – has a long-term counterparty credit rating from one of Standard & Poor's, Moody's or Fitch of not less than investment grade; and – is not a Related Entity of Suncorp.	Clause 10.3 of the Terms
2.3.8 When can a Resale occur?	– A Resale can occur on an Optional Exchange Date or following a Tax Event or a Regulatory Event. – Suncorp may only elect to Resell Capital Notes 5 with APRA's prior written approval. Holders should not assume that APRA's approval will be given, if requested.	Clauses 6.4 and 10.1 of the Terms

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Topic	Summary	Further information
2.3.9 What if a Nominated Purchaser does not pay the Resale Price?	– If the Nominated Purchaser does not pay the Resale Price of any Capital Notes 5 when due, those Capital Notes 5 will not be transferred and the Holder will continue to hold Capital Notes 5 in accordance with the Terms until Capital Notes 5 are otherwise Converted, Redeemed or Resold.	Clause 10.6 of the Terms
2.3.10 Can Holders request Exchange?	– Holders do not have a right to request Exchange.	Clause 11.4(f)(i) of the Terms
2.3.11 Purchases	– Suncorp (or any Related Entity of Suncorp) may at any time purchase Capital Notes 5 in the open market or otherwise, at any price (subject to the prior written approval of APRA). Any Capital Notes 5 purchased by or on behalf of Suncorp will be cancelled.	Clause 6.7 of the Terms

2.4 Non-Viability Conversion

Capital Notes 5 have certain loss absorption features, which may be triggered if Suncorp encounters severe financial difficulty. These features are required to be included in the Terms for regulatory purposes. If a Non-Viability Trigger Event occurs, all or some Capital Notes 5 and other Relevant Securities will need to be immediately Converted into Ordinary Shares but if such Conversion does not occur for any reason within five Business Days of APRA's Non-Viability Determination those Capital Notes 5 which should have been Converted will be Written-Off. If this occurs, all rights in relation to those Capital Notes 5 (including in respect of Distributions and return of capital) will be immediately and irrevocably terminated and Holders will lose all of the value of those Capital Notes 5, without compensation. If Capital Notes 5 are Written-Off, Holders will have no claim on Suncorp (even though Ordinary Shares are still on issue) and they are likely to be worse off than holders of Ordinary Shares.

As a Non-Viability Conversion is likely to occur during a time of severe financial difficulty for Suncorp, depending on the market price of Ordinary Shares at the relevant time, Holders are likely to receive a number of Ordinary Shares worth less, or significantly less, than approximately $101 per Capital Note 5 and a Holder would suffer a loss as a consequence. The calculations set out below are illustrative only and designed to demonstrate the potential number and value of Ordinary Shares that a Holder would receive on Conversion following a Non-Viability Trigger Event.

Topic	Summary	Further information

2.4.1 What is a Non-Viability Trigger Event?	– A Non-Viability Trigger Event means APRA has provided a written determination to Suncorp that:
	  – the conversion to Ordinary Shares or write-off of Relevant Securities (including Capital Notes 5) 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 Suncorp would become non-viable; or
	  – without a public sector injection of capital into, or equivalent support with respect to, Suncorp, APRA considers that Suncorp would become non-viable.
	– The date on which a Non-Viability Trigger Event occurs is referred to as the Trigger Event Date.
	– On the Trigger Event Date, Suncorp must immediately Convert Capital Notes 5, as required by the determination, into the Conversion Number of Ordinary Shares (subject to the Maximum Conversion Number).
		Clauses 5, 8 and 22.2 of the Terms

2.4.2 Why do Capital Notes 5 include a Non-Viability Trigger Event?	– A Non-Viability Trigger Event is an APRA regulatory requirement for Capital Notes 5 to be characterised as Eligible Additional Tier 1 Capital.	
2.4.3 What does non-viable mean?	– APRA has not provided guidance as to how it would determine non-viability. – Non-viability would be expected to include serious impairment of Suncorp'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. – 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 guidance on the parameters used to determine non-viability, however, it is possible that it will not provide any further guidance and Suncorp has no control over whether it will do so (see Section 6.1.12).	

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Topic	Summary	Further information

2.4.4 When does Conversion on account of a Non-Viability Trigger Event occur?	– If a Non-Viability Trigger Event occurs, Suncorp must, on that date (whether or not that day is a Business Day), immediately and irrevocably Convert some or all Capital Notes 5 into Ordinary Shares:
	  – where APRA's determination is made on the grounds that, without a public sector injection of capital or equivalent support, Suncorp will become non-viable, Suncorp must convert all Relevant Securities; and
	  – where APRA's determination is not made on those grounds and does not require all Relevant Securities to be converted or written-off, Suncorp must Convert such number of Capital Notes 5 as is sufficient to satisfy APRA that Suncorp will be viable without further conversion or write-off.
	– Conversion is immediate and, from the Trigger Event Date, Suncorp will treat Holders as having been issued the Conversion Number of Ordinary Shares. Suncorp expects any ASX trades in Capital Notes 5 that have not settled on the Trigger Event Date will continue to settle in accordance with the normal ASX T+2 settlement, although Suncorp expects the seller will be treated as having delivered, and the buyer will be treated as having acquired, the Conversion Number of Ordinary Shares into which Capital Notes 5 have been Converted as a result of the occurrence of the Non-Viability Trigger Event.
	– In determining the number of Capital Notes 5 to be Converted, Suncorp will Convert Capital Notes 5 and convert into Ordinary Shares or write-off other Relevant Securities on an approximately pro rata basis or in a manner that is otherwise, in the opinion of Suncorp, fair and reasonable (subject to such adjustment as Suncorp 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 Capital Notes 5 or Relevant Securities). In addition, where the specified currency of the outstanding principal amount of any Relevant Securities is not Australian dollars[1], Suncorp 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 Securities or, if those terms do not specify a basis for determining such rate of exchange, at such rate of exchange as Suncorp in good faith considers reasonable. However, this determination must not impede the immediate Conversion of the relevant number of Capital Notes 5.
	– Suncorp may make any decisions with respect to the identity of the Holders where Capital Notes 5 are to be Converted as may be necessary or desirable to ensure Conversion occurs immediately in an orderly manner, including disregarding any transfers of Capital Notes 5 that have not been settled or registered at that time.
	– Holders should be aware that:
	  – if APRA does not require all Relevant Securities to be converted or written-off, Relevant Securities such as Capital Notes 5 will be converted or written-off before any Tier 2 Capital instruments are converted or written-off;
	  – Suncorp has no Relevant Securities on issue other than Capital Notes 2, Capital Notes 3 and Capital Notes 4. Suncorp has no obligation to keep Capital Notes 2, Capital Notes 3 or Capital Notes 4 on issue or to issue or keep on issue any Relevant Securities; and
	  – Suncorp must notify the Trustee and Holders of the Non-Viability Trigger Event as soon as practicable (which may be after Conversion has occurred) but failure to give such notice will not prevent, impede or delay the Conversion.
		Clauses 5.2 and 5.3 of the Terms

2.4.5 Are there any conditions which apply to Conversion if a Non-Viability Trigger Event occurs?	– Conversion on account of a Non-Viability Trigger Event is not subject to the Mandatory Conversion Conditions or any other conditions being satisfied.	Clause 11.4(c)(i) of the Terms

1 As of the date of this Prospectus, Suncorp does not have any non-Australian dollar-denominated Relevant Securities outstanding.

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Topic	Summary	Further information
2.4.6 How many Ordinary Shares will Holders receive on the Trigger Event Date?	– If Conversion occurs, the number of Ordinary Shares a Holder will receive per Capital Note 5 on account of a Non-Viability Trigger Event is the Conversion Number (calculated as described below), unless that number is greater than the Maximum Conversion Number (in which case a Holder will receive the Maximum Conversion Number of Ordinary Shares per Capital Note 5). Since there are no conditions to a Non-Viability Conversion, the number of Ordinary Shares a Holder may receive on account of a Non-Viability Conversion may be worth significantly less than $101 per Capital Note 5 and a Holder may suffer a significant loss as a consequence. – The Conversion Number in the event of a Non-Viability Conversion is calculated in accordance with the following formula, subject to the Conversion Number being no greater than the Maximum Conversion Number: $$\text{Conversion Number} = \frac{\text{Issue Price}}{99\% \times \text{VWAP}}$$ – where: – VWAP is the volume weighted average price of Ordinary Shares during the period of five Business Days on which trading in Ordinary Shares occurred immediately preceding (but not including) the Trigger Event Date. – the VWAP during the five Business Days before the Trigger Event Date may differ from the Ordinary Share price on or after that date. The Ordinary Shares may not be listed or may not be able to be sold at prices representing their value based on the VWAP calculation or at all — See Section 6.1.12. – The Maximum Conversion Number is described in Section 2.4.7 (this number may be adjusted as described in Section 2.4.8). – Following a Non-Viability Trigger Event, if Conversion does not occur within five Business Days for any reason, those Capital Notes 5 that are required to be Converted will be Written-Off and Holders will not receive any Ordinary Shares with respect to those Capital Notes 5—see Section 2.4.9.	Clauses 5.2, 5.5 and 8 of the Terms
2.4.7 What is the Maximum Conversion Number?	– The Maximum Conversion Number is calculated in accordance with the following formula: $$\text{Maximum Conversion Number} = \frac{\text{Issue Price}}{\text{Issue Date VWAP} \times \textbf{Relevant Fraction}}$$ – Where **Relevant Fraction** is 0.2 in the case of Conversion following a Non-Viability Trigger Event. – This means that, depending on the market price of Ordinary Shares at the relevant time, a Holder is likely to receive Ordinary Shares worth significantly less than $101 per Capital Note 5 and is likely to suffer a significant loss as a consequence. *Illustrative example of Conversion* – This example illustrates how many Ordinary Shares a Holder will receive per Capital Note 5 following Conversion on account of a Non-Viability Trigger Event. – Assumptions used in this example: Issue Date VWAP: $16.00 VWAP: $2.00 – This example is for illustrative purposes only. The actual VWAP, Issue Date VWAP and Maximum Conversion Number may be higher or lower than in this example and the Issue Date VWAP may be adjusted after the Issue Date in limited circumstances (see Section 2.4.8).	Clauses 8.1 and 22.2 of the Terms

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Topic	Summary	Further information
	Step–1 - Calculate the number of Ordinary Shares using the Conversion mechanics Issue Price: $100 Divided by VWAP x 0.99: ÷ $1.98 Ordinary Shares per Capital Note 5: 50.5051 **Step–2 - Calculate the Maximum Conversion Number** Issue Price: $100 Divided by Issue Date VWAP × 0.20: ÷ $3.20 Maximum Conversion Number of Ordinary Shares per Capital Note 5: 31.2500 **Step–3 - Assess the effect of the Maximum Conversion Number** In this example, the Maximum Conversion Number is lower than the number of Ordinary Shares a Holder would receive per Capital Note 5 calculated using the Conversion formula. As a result, the Maximum Conversion Number would cap the number of Ordinary Shares a Holder would receive per Capital Note 5 at 31.2500 Ordinary Shares. If the Holder holds 100 Capital Notes 5 (having an aggregate Issue Price of $10,000) they would receive (after disregarding any fraction of an Ordinary Share) 3,125 Ordinary Shares. If those Ordinary Shares were sold on ASX at the same price as the VWAP (being $2.00), the Holder in this example would receive approximately $6,250, which is significantly less than $10,000.	
2.4.8 What adjustments to the Issue Date VWAP are made to account for changes to Suncorp's capital?	– The Issue Date VWAP, and consequently the Maximum Conversion Number, will be adjusted to reflect a consolidation, division or reclassification of Ordinary Shares and pro rata bonus issues as set out in the Terms (but not other transactions, including rights issues, which may affect the capital of Suncorp). – However, no adjustment shall be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than 1% of the Issue Date VWAP in effect.	Clauses 8.2 to 8.7 of the Terms
2.4.9 What happens if Capital Notes 5 are not Converted on the Trigger Event Date?	– If Capital Notes 5 are required to be Converted on a Trigger Event Date and Conversion has not been effected within five Business Days after the relevant Trigger Event Date for any reason (including because Suncorp 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 Suncorp) (**Inability Event**)), Capital Notes 5 which would otherwise be Converted will not be Converted on that date and will not be Converted, Redeemed or Resold on any subsequent date and will be Written-Off. If this occurs, all rights in relation to those Capital Notes 5 (including in respect of Distributions and return of capital) will be immediately and irrevocably terminated and Holders will lose all of the value of their investment in those Capital Notes 5 without compensation. If Capital Notes 5 are Written-Off, Holders will have no claim on Suncorp (even though Ordinary Shares are still on issue) and they are likely to be worse off than holders of Ordinary Shares. – The laws under which an Inability Event may arise, and the grounds on which a court or government authority may make orders preventing the Conversion of Capital Notes 5 (or other reasons which prevent Conversion), may change.	Clause 5.5 of the Terms

2.5 Conversion on an Acquisition Event

Suncorp is required to Convert Capital Notes 5 into Ordinary Shares where Suncorp is taken over by way of takeover bid or scheme of arrangement which meets certain requirements described below.

As with Mandatory Conversion and Optional Conversion, there are conditions to Conversion in these circumstances which are designed to ensure that Holders receive a number of Ordinary Shares worth approximately $101 for each Capital Note 5 they hold and that those Ordinary Shares are capable of being sold on ASX.

These conditions may never be met; accordingly, Capital Notes 5 may never Convert into Ordinary Shares.

Topic	Summary	Further information
2.5.1 What is an Acquisition Event?	– An Acquisition Event means: – a takeover bid is made to acquire all or some Ordinary Shares and the offer is, or becomes, unconditional and: – the bidder has a relevant interest in more than 50% of the Ordinary Shares on issue; or – the Directors issue a statement that at least a majority of those Directors who are eligible to do so recommend acceptance of the offer (which may be stated to be in the absence of a higher offer); or – a court approves a scheme of arrangement which when implemented will result in a person other than Suncorp having a relevant interest in more than 50% of the Ordinary Shares on issue; and – all regulatory approvals necessary for the acquisition to occur have been obtained. – There may be ways in which control of Suncorp or its business operations change, including as a result of regulatory intervention, which do not amount to an Acquisition Event. See Sections 6.1.11 and 6.2.13 for more information.	Clause 22.2 of the Terms
2.5.2 What must Suncorp do on the occurrence of an Acquisition Event?	– If an Acquisition Event occurs, Suncorp must (by giving an Acquisition Conversion Notice) Convert all Capital Notes 5 on issue into a number of Ordinary Shares with a value of approximately $101 per Capital Note 5 (based on the VWAP during a period before the Acquisition Conversion Date, being usually 20 Business Days but a lesser period if trading in Ordinary Shares in the period after the Acquisition Event and before the Acquisition Conversion Date is less than 20 Business Days). The number of Ordinary Shares received will not be greater than the Maximum Conversion Number. – If certain requirements for Conversion to occur (described in Section 2.5.3 below) have not been met, Suncorp will not be required to give an Acquisition Conversion Notice to the Trustee and Holders, and will not be required to Convert Capital Notes 5 at that time. However, Suncorp must Convert Capital Notes 5 on the next Distribution Payment Date in respect of which the conditions to Conversion are met.	Clauses 7 and 8 of the Terms
2.5.3 What are the restrictions on Conversion occurring following an Acquisition Event?	– There are two types of restrictions that apply in relation to Conversion in connection with an Acquisition Event: 1. Suncorp is not required to give an Acquisition Conversion Notice if, on the second Business Day before the date on which an Acquisition Conversion Notice is to be sent: – the VWAP is less than or equal to 22.0000% of the Issue Date VWAP; or – a Delisting Event applies; and 2. if Suncorp has given an Acquisition Conversion Notice, Suncorp may not proceed to Convert Capital Notes 5 if, on the Acquisition Conversion Date specified in the notice: – the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) that date is less than or equal to 20.2020% of the Issue Date VWAP; or – a Delisting Event applies. – Without these conditions, Conversion could occur in situations where Holders would receive a number of Ordinary Shares limited to the Maximum Conversion Number and, accordingly, those Ordinary Shares could be worth less than $101 per Capital Note 5. – The Maximum Conversion Number in the case of Conversion in these circumstances is set by dividing the Issue Price of the Capital Notes 5 by 20% of the Issue Date VWAP (as such number may be adjusted as described in Section 2.2.8).	Clauses 7.4 and 7.5 of the Terms

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Topic	Summary	Further information
2.5.4 What happens if Conversion does not occur?	– If Suncorp is not required to give an Acquisition Event Notice or the further Conversion restrictions prevent Conversion, Suncorp must: – notify the Trustee and Holders as soon as practicable that Conversion will not occur; and – unless the restrictions on Conversion apply, give an Acquisition Conversion Notice on or before the 25th Business Day prior to the following Distribution Payment Date and the conditions described above will be tested again in respect of that date. This process will be repeated until a Conversion occurs as long as Capital Notes 5 remain on issue.	Clause 7.5 of the Terms
2.5.5 What other obligations does Suncorp have in connection with a takeover or scheme of arrangement?	– On the occurrence of a recommended takeover or scheme of arrangement which would result in an Acquisition Event or Potential Acquisition Event, if the Directors consider that Suncorp will not be permitted to Convert Capital Notes 5 or the Second Mandatory Conversion Condition or Third Mandatory Conversion Condition will not be satisfied in respect of the relevant Acquisition Conversion Date, the Directors will use all reasonable endeavours to procure that equivalent takeover offers are made to Holders or that Holders are entitled to participate in the scheme of arrangement or a similar transaction.	Clause 13 of the Terms

2.6 Regulatory treatment

APRA has advised that Capital Notes 5 are eligible for inclusion as Eligible Additional Tier 1 Capital (as defined in Suncorp's NOHC authority).

Topic	Summary	Further information
2.6.1 Who is APRA?	– APRA is the prudential regulator of the Australian financial services industry. It oversees life insurance companies, banks, credit unions, building societies, general insurance and reinsurance companies, friendly societies, private health insurance companies and most members of the superannuation industry. – APRA's website at **www.apra.gov.au** includes details of its functions and prudential standards.	
2.6.2 What is regulatory capital?	– Any business requires capital to support its income-generating activities in its chosen industry. – APRA's regulatory capital prudential standards aim to ensure that regulated groups, including life insurers, banks, general insurers and regulated registrable superannuation entities, maintain adequate capital to support the risks associated with their activities and can withstand unexpected losses. APRA has detailed guidelines and restrictions on the types of capital instruments that are permitted to form the capital base. The types of capital deemed eligible for inclusion in the capital base are referred to as regulatory capital. – APRA currently classifies regulatory capital of APRA-Regulated Entities into two tiers for its supervisory purposes, being Tier 1 Capital and Tier 2 Capital. – Tier 1 Capital is generally considered from the perspective of a financial institution to be higher quality capital and comprises: – CET1 Capital (including ordinary shares and retained earnings); and – Additional Tier 1 Capital (such as perpetual subordinated instruments issued by APRA-Regulated Entities). – Tier 2 Capital includes other components which fall short of some of the qualities of Tier 1 Capital but nonetheless contribute to the overall strength of the entity. – The Suncorp Group is regulated by APRA as a conglomerate group (a Level 3 group) and Suncorp is the authorised NOHC of that group. Suncorp's NOHC authority contains conditions requiring the group to hold Level 3 Eligible Capital in excess of a specified prudential capital requirement. Under the authority, Level 3 Eligible Capital includes Eligible Additional Tier 1 Capital issued by Suncorp that meets the definition of Additional Tier 1 Capital as applied by APRA to a general insurance company. Eligible Additional Tier 1 Capital contributes to meeting the prudential capital requirement specified in the authority. – The Terms include terms necessary to meet APRA's requirements for Eligible Additional Tier 1 Capital (including Conversion (or Write-Off) following a Non-Viability Trigger Event, subordination provisions and certain limitations on the rights of Holders).	

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Topic	Summary	Further information
2.6.3 What is the regulatory treatment of Capital Notes 5?	– APRA has advised that Capital Notes 5 are eligible for inclusion as Eligible Additional Tier 1 Capital (as defined in Suncorp's NOHC authority). – If APRA's treatment of Capital Notes 5 changes (for example as an outcome of the consultation foreshadowed in the APRA Discussion Paper), a Regulatory Event may occur in which case Suncorp would have an option to Exchange Capital Notes 5 as described in Section 2.3.	Clause 6.1(a) of the Terms Section 6.2.4 for the APRA Discussion Paper

2.6.4 Are Capital Notes 5 guaranteed by any government?	– No. Capital Notes 5 are not:
	  – deposits or policy liabilities of any member of the Suncorp Group;
	  – protected accounts under the Banking Act or protected policies under the Insurance Act; or
	  – guaranteed or insured by any government, government agency or compensation scheme or by any other person.
		Clause 2.2 of the Terms

2.7 Other

Topic	Summary	Further information

2.7.1 Can Suncorp issue further Capital Notes 5 or other instruments?	– Suncorp reserves the right to:
	  – issue any securities which rank equally with Capital Notes 5 (on the same terms or otherwise) or rank in priority or junior to Capital Notes 5;
	  – redeem, buy back, return capital on or convert any securities other than Capital Notes 5 at any time, except where expressly prevented from doing so as described in Section 2.1.8;
	  – subject to APRA's prior written consent, purchase or procure the purchase of Capital Notes 5 from Holders at any time and at any price; or
	  – incur or guarantee any indebtedness upon such terms as it may think fit in its sole discretion.
	– Capital Notes 5 do not confer on Holders any right to subscribe for new securities in Suncorp or to participate in any bonus issues of shares in Suncorp's capital.
		Clauses 11.4(e) and 11.5 of the Terms

2.7.2 What voting rights do Capital Notes 5 carry?	– Holders have no voting rights at meetings of holders of shares in Suncorp. – Holders may vote at meetings for Holders in accordance with the Trust Deed.	Clause 12 of the Terms

2.7.3 Can Suncorp amend the Terms and the Trust Deed?	– As described in Section 6.1.24, subject to complying with all applicable laws and to receiving the approval of the Trustee and, where required, APRA, Suncorp may amend the Terms and Trust Deed without the approval of Holders, in certain circumstances.
	– These may include amendments which may affect the rights of Holders, including:
	  – amendments of a formal, technical or minor nature, or made to cure any ambiguity or correct any manifest error;
	  – changes to dates or time periods necessary or desirable to facilitate, without such amendment resulting in material prejudice to the interests of Holders as a whole, a Mandatory Conversion, Non-Viability Conversion or Exchange;
	  – changes that enable Capital Notes 5 to be quoted on ASX or sold or to comply with applicable laws or the ASX Listing Rules;
	  – amendments made to align the Terms with any subsequently issued Eligible Additional Tier 1 Capital instrument and is necessary or desirable to enable Suncorp to continue to treat such Capital Notes as Eligible Additional Tier 1 Capital;
	  – amendments made in accordance with Suncorp's adjustment rights in relation to VWAP and Issue Date VWAP in Clause 8 of the Terms; and
	  – any other change that, in Suncorp's reasonable opinion, will not be materially prejudicial to the interests of Holders as a whole.
	– Suncorp may, with the Trustee's approval (and APRA's prior written approval where required), amend the Terms and Trust Deed if the amendment has been approved by a Special Resolution.
	– APRA's prior written approval to amend the Terms and Trust Deed is required only where the amendment may affect the eligibility of Capital Notes 5 as Eligible Additional Tier 1 Capital. Holders should not assume that APRA's approval will be given, if requested.
		Clause 18 of the Terms

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Topic	Summary	Further information
2.7.4 What is the time limit for a Holder to make a claim against Suncorp?	– Holders should be aware that a claim against Suncorp for payment in respect of a Capital Note 5 is void, to the fullest extent permitted by applicable law, unless made within five years of the date for payment.	Clause 15.5 of the Terms
2.7.5 Are determinations by Suncorp binding?	– Except where there is a manifest or proven error, calculations, elections and determinations made by Suncorp under the Terms are binding on Holders.	Clause 22.1(o) of the Terms
2.7.6 Is set-off applicable?	– A Holder may not exercise any right of set-off against Suncorp in respect of any claim by Suncorp against that Holder and will have no offsetting rights or claims on Suncorp if Suncorp does not pay a Distribution when scheduled under the Terms. – Suncorp may not exercise any right of set-off against a Holder in respect of any claim by that Holder against Suncorp.	Clause 11.1 of the Terms
2.7.7 What is the power of attorney?	– Each Holder appoints each of Suncorp, its officers and any External Administrator of Suncorp (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 to effect any transfers of the Capital Notes 5 or make any entry in the Register in connection with any Conversion, Redemption or Resale or facilitate the performance or observance of the obligations of the Holder arising in connection with any such Conversion, Redemption or Resale.	Clause 11.3 of the Terms
2.7.8 Trustee and Trust Deed	– Suncorp has appointed Certane CT Pty Ltd as Trustee for Holders, as required by Chapter 2L of the Corporations Act. The Trustee holds certain rights in relation to Capital Notes 5 on trust for Holders under the Trust Deed. In certain circumstances, the Trustee will act on behalf of Holders. – The Trustee holds on trust for Holders the right to enforce any obligations of Suncorp under the Terms and the Trust Deed. The Trustee will be entitled to take any action against Suncorp to enforce any obligations of Suncorp, subject to the Terms and the Trust Deed. – The Trustee must take action to enforce the Terms and the Trust Deed if it has been directed to do so by a Special Resolution of Holders or so requested in writing by the Holders holding Capital Notes 5 representing at least 15% of the aggregate Issue Price of all Capital Notes 5 then outstanding, its liability has been limited consistent with the Trust Deed, it is indemnified to its reasonable satisfaction and the action is permitted by the Trust Deed or the Terms and by law. – Holders will not be entitled to proceed directly against Suncorp to enforce any right or remedy under or in respect of any Capital Note 5 unless the Trustee is bound to proceed with that action and has not taken that action within 14 days. In this case, any Holder may itself institute proceedings against Suncorp for the relevant remedy to the same extent that the Trustee would have been entitled to do so. – Under the Trust Deed, Suncorp must establish and maintain, or procure the establishment and maintenance, of the Register. The Trust Deed includes provisions for meetings of Holders. Holders will be bound by the terms of the Trust Deed and the Terms when Capital Notes 5 are issued or transferred to them or they purchase Capital Notes 5. – Section 9.7 contains a summary of the principal provisions of the Trust Deed. – A copy of the Trust Deed can be obtained from **www.suncorpgroup.com.au/sunpj**	Section 9.7 and Clause 17 of the Terms

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Topic	Summary	Further information
2.7.9 What if a Holder is not resident in Australia or does not wish to receive Ordinary Shares on Conversion?	– If the Register indicates that a Holder's address is outside Australia (or Suncorp believes that a Holder may not be a resident of Australia) (such a Holder being a **Foreign Holder**) and that Foreign Holder's Capital Notes 5 are to be Converted, Suncorp is entitled, in certain circumstances, to issue the relevant Ordinary Shares to the Trustee or other nominee appointed by Suncorp (which must not be a Related Entity of Suncorp). – A Holder may elect not to receive Ordinary Shares on Conversion, in which case those shares will be issued to the Trustee or other nominee appointed by Suncorp (which must not be a Related Entity of Suncorp). – The Trustee, or other nominee (as the case may be), will sell those Ordinary Shares and pay a cash amount equal to the net proceeds to the relevant Holder. – The issue of Ordinary Shares to the Trustee, or other nominee (as the case may be), satisfies Suncorp's obligations in connection with the Conversion and Suncorp and the Trustee, or other nominee (as the case may be), do not owe any duty in relation to the price or terms on which the Ordinary Shares are sold and have no liability for any loss suffered as a result of such sale.	Clauses 8.10, 8.11 and 8.13 of the Terms
2.7.10 What are the consequences of a FATCA Withholding in respect of Ordinary Shares issued on Conversion?	– Where a FATCA Withholding is required to be made in respect of Ordinary Shares issued on Conversion of Capital Notes 5, or where Suncorp has reasonable grounds to suspect such a FATCA Withholding would be required to be made, the Ordinary Shares, which the relevant Holder is obliged to accept, will be issued to the Holder only to the extent (if at all) that the issue is net of FATCA Withholding. Suncorp will issue the balance of the Ordinary Shares, if any, to the Trustee or other nominee appointed by Suncorp (which must not be a Related Entity of Suncorp), who will sell those Ordinary Shares and pay a cash amount equal to the proceeds net of any FATCA Withholding to the relevant Holder.	Clause 8.12 of the Terms
2.7.11 What are the taxation implications of investing in Capital Notes 5?	– The taxation implications of investing in Capital Notes 5 will depend on an investor's individual circumstances. Prospective investors should obtain their own taxation advice. – A general outline of the Australian taxation implications is included in the Australian taxation summary in Section 8.	Section 8
2.7.12 Will Capital Notes 5 be rated?	– Suncorp has not sought a public credit rating for Capital Notes 5.	

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3. About the Reinvestment Offer

This Section provides information about the Reinvestment Offer available to Eligible Capital Notes 2 Holders. If you are an Eligible Capital Notes 2 Holder, it is important that you read the information about Capital Notes 5 in this Prospectus before deciding whether to participate in the Reinvestment Offer.

3.1 Overview

This Section provides information about the Reinvestment Offer for Eligible Capital Notes 2 Holders. Detailed information about Capital Notes 5 and Suncorp is provided in this Prospectus and it is important that you read this Prospectus, the Terms, Trust Deed and Constitution in full before deciding to participate in the Reinvestment Offer and invest in Capital Notes 5.

If you have any questions about the Reinvestment Offer, you should seek personal advice from a qualified financial adviser. You can also call the Capital Notes 5 Offer Information Line on 1300 882 012 (within Australia) or +61 2 8767 1219 (outside Australia) Monday to Friday 8:30am to 7:30pm (AEST) during the Offer Period.

Topic	Summary
What are Capital Notes 2?	– Capital Notes 2 are fully-paid, perpetual, convertible, subordinated notes issued by Suncorp on 24 November 2017 that trade on ASX under code 'SUNPG'.

What is the Reinvestment Offer?	– Under the Reinvestment Offer, Eligible Capital Notes 2 Holders may apply for some or all of the Capital Notes 2 registered in their name at 7:00pm (AEST) on 8 April 2024 to be resold to the Capital Notes 2 Nominated Purchaser for $100 per Capital Note 2 and have their Capital Notes 2 Resale Proceeds reinvested into Capital Notes 5 on the Reinvestment Date.
	– Once you have submitted an Application to reinvest your Capital Notes 2, a holding lock will be placed on those Capital Notes 2. You will not be able to deal with those Capital Notes 2 until they are released from the holding lock. The holding lock will be released:
	  – on any Capital Notes 2 not successfully reinvested into Capital Notes 5 as soon as practicable after the Issue Date; or
	  – as soon as practicable if Suncorp decides not to proceed with the Offer.
	– Any Participating Capital Notes 2 resold to the Capital Notes 2 Nominated Purchaser under the Reinvestment Offer will be redeemed by Suncorp (as agreed between Suncorp and the Capital Notes 2 Nominated Purchaser) on the Issue Date once those Participating Capital Notes 2 are held by the Capital Notes 2 Nominated Purchaser or its nominee. The number of Participating Capital Notes 2 redeemed in the hands of the Capital Notes 2 Nominated Purchaser will be separately announced on ASX.

What is the purpose of the Reinvestment Offer?	– The purpose of the Reinvestment Offer is to refinance Capital Notes 2 as well as to give Eligible Capital Notes 2 Holders the opportunity to reinvest their Capital Notes 2 Resale Proceeds in Capital Notes 5.

Am I eligible to participate in the Reinvestment Offer?	– To participate in the Reinvestment Offer, you must be an Eligible Capital Notes 2 Holder. This means you must:
	  – be registered as a holder of Capital Notes 2 at 7:00pm (AEST) on 8 April 2024 and you must still be the registered holder at 5:00pm (AEST) on 9 May 2024, which is the Closing Date for the Reinvestment Offer;
	  – be shown on the Capital Notes 2 register as having an address in Australia;
	  – not be an individual residing in a member state of the European Union;
	  – not be in the United States or acting as a nominee for, or for the account or benefit of, a person in the United States and must not otherwise be prevented from receiving the invitation to participate in the Reinvestment Offer or receiving Capital Notes 5 under the laws of any jurisdiction; and
	  – be an Institutional Investor or a client of a Syndicate Broker who is either a Wholesale Client or a Retail Investor who meets the key eligibility requirements in the TMD and has received personal advice from a qualified financial adviser (who is acceptable to a Syndicate Broker) as to whether you are within the Capital Notes 5 Target Market.
	– Participation in the Reinvestment Offer is optional.

Who is the Capital Notes 2 Nominated Purchaser?	– UBS (or a permitted successor).
How do I apply to participate in the Reinvestment Offer?	– All Applications under the Reinvestment Offer must be submitted through a Syndicate Broker. A list of the appointed Joint Lead Managers and Co-Manager who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory at the end of this Prospectus. – Applications under the Reinvestment Offer will only be accepted from investors who satisfy the eligibility requirements in accordance with the TMD. You should contact a Syndicate Broker to obtain more information on whether you meet the eligibility requirements. – See Section 7 for details on how to apply to participate in the Reinvestment Offer. – The Reinvestment Offer will remain open until 9 May 2024 unless the Offer is withdrawn.

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Topic	Summary
What distributions will I receive as a Capital Notes 2 Holder?	– The Capital Notes 2 distribution scheduled to be paid on 17 June 2024 has been split into two distributions to facilitate the Reinvestment Offer – the First Pro Rata Distribution and the Second Pro Rata Distribution. – The First Pro Rata Distribution is scheduled to be paid on all Capital Notes 2 on the Issue Date of Capital Notes 5 (which is expected to be 14 May 2024). It will be calculated in accordance with the Capital Notes 2 Terms using the bank bill rate on 18 March 2024 and the franking percentage applicable on the Reinvestment Date. It will be paid in respect of the period from (and including) 18 March 2024 to (but excluding) the Reinvestment Date. – If you hold Capital Notes 2 on the record date for the First Pro Rata Distribution (which is 30 April 2024), then you will receive the First Pro Rata Distribution irrespective of whether your Capital Notes 2 participate in the Reinvestment Offer or not (subject to this Prospectus not being withdrawn, the payment conditions in the Capital Notes 2 Terms and Suncorp's absolute discretion). – The First Pro Rata Distribution is a separate distribution payment from Suncorp and does not form part of the resale price. – The Second Pro Rata Distribution is scheduled to be paid on all Capital Notes 2 outstanding on 17 June 2024 (that is Capital Notes 2 which have not been resold as part of the Reinvestment Offer). It will be calculated using the same bank bill rate as that used to calculate the First Pro Rata Distribution and the franking percentage applicable on 17 June 2024. It will be paid in respect of the period from (and including) the Reinvestment Date to (but excluding) 17 June 2024. – If you hold Capital Notes 2 on the record date for the Second Pro Rata Distribution (which is 31 May 2024), then you will receive the Second Pro Rata Distribution (subject to the payment conditions in the Capital Notes 2 Terms and Suncorp's absolute discretion). You will not receive the Second Pro Rata Distribution in respect of any Participating Capital Notes 2 as those Participating Capital Notes 2 will have been resold to the Capital Notes 2 Nominated Purchaser before the record date for the Second Pro Rata Distribution. – Any payment of the Pro Rata Distribution will be made via direct credit in accordance with your existing Capital Notes 2 payment instructions. If you have not provided direct credit details, Suncorp will deal with any payment in accordance with the Capital Notes 2 Terms.
Can I elect to reinvest the First Pro Rata Distribution in Capital Notes 5?	– No. The First Pro Rata Distribution will be paid to Eligible Capital Notes 2 Holders in respect of their reinvested Capital Notes 2 via direct credit on the Reinvestment Date, in accordance with your existing Capital Notes 2 payment instructions. If you wish to change your Capital Notes 2 payment instructions for the payment of any pro rata distribution you must provide updated instructions to the Registry by 7:00pm on the relevant record date for that pro rata distribution.
Do I need to apply for a minimum number of Capital Notes 5?	– There is no minimum number of Capital Notes 2 that you must hold to be able to participate in the Reinvestment Offer. – However, if you are an Eligible Capital Notes 2 Holder and own less than 50 Capital Notes 2 at 7:00pm (AEST) on 8 April 2024 and you wish to participate in the Reinvestment Offer, you can still apply to participate in the Reinvestment Offer but you must apply to reinvest the Capital Notes 2 Resale Proceeds relating to all of your Capital Notes 2. – If you are an Eligible Capital Notes 2 Holder and you own 50 or more Capital Notes 2 at 7:00pm (AEST) on 8 April 2024 and you wish to participate in the Reinvestment Offer, you must apply to reinvest the Capital Notes 2 Resale Proceeds relating to at least 50 of your Capital Notes 2.
What happens if I have sold or purchased Capital Notes 2 since 7:00pm (AEST) on 8 April 2024?	– If you have sold any Capital Notes 2 you held at 7:00pm (AEST) on 8 April 2024, you cannot apply to have those Capital Notes 2 reinvested in Capital Notes 5. – Additionally, if you have purchased any Capital Notes 2 since 7:00pm (AEST) on 8 April 2024, you cannot apply to have those Capital Notes 2 reinvested in Capital Notes 5.
Can I sell my Capital Notes 2 after I have submitted my Application under the Reinvestment Offer?	– Once your Application has been received, a holding lock will be placed on your Capital Notes 2 and you will not be able to successfully deal with your Capital Notes 2. – If you receive less Capital Notes 2 Resale Proceeds than the amount you have elected to reinvest because you sold some of your Capital Notes 2, you will be taken to have applied for the number of Capital Notes 5 that you can pay for using the Capital Notes 2 Resale Proceeds you received. – An Application to participate in the Reinvestment Offer is irrevocable once submitted but will only be effective so long as it is accepted and the Offer proceeds.

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Topic	Summary

Can I continue to sell my Capital Notes 2 on market?	– If you do not participate in the Reinvestment Offer, yes. You may choose to sell your Capital Notes 2 on market through your broker at the prevailing market price, that may be higher or lower than the price you would receive if you were to participate in the Reinvestment Offer.
	– The market price of Capital Notes 2 is subject to change from time to time. The current market price of Capital Notes 2 is available on the ASX website (**www.asx.com.au**), under the code 'SUNPG'.
	– If you elect to sell your Capital Notes 2 on market, you:
	  – may have to pay brokerage and may receive a price greater or less than the issue price of $100 per Capital Note 2; and
	  – have the option to use the sale proceeds of the Capital Notes 2 you sell to subsequently acquire Capital Notes 5 on market.
	– Following completion of the Reinvestment Offer, it is expected that the number of Capital Notes 2 quoted on ASX will significantly reduce. This may affect the liquidity of the market for Capital Notes 2 and their market price.

Can I apply for additional Capital Notes 5?	– Eligible Capital Notes 2 Holders may apply for more Capital Notes 5 than the number of Capital Notes 2 registered in their name at 7:00pm (AEST) on 8 April 2024 under the New Money Offer. – The minimum number of additional Capital Notes 5 you can apply for is 50 Capital Notes 5 ($5,000).
Will I receive a priority allocation of Capital Notes 5?	– Reinvestment Offer Applications will be given priority over other Applicants in determining the allocation of Capital Notes 5. – See Section 7 for information on the allocation policy.
What will happen to my Capital Notes 2 if I do not apply for them to be reinvested under the Reinvestment Offer or the Reinvestment Offer does not proceed?	– Your Capital Notes 2 will remain on issue in accordance with their terms. Under the Capital Notes 2 Terms, Suncorp may elect to convert, redeem or resell Capital Notes 2 on 17 June 2024, subject to APRA's prior written approval, further conditions and Suncorp's absolute discretion. No decision to undertake a CN2 Exchange on 17 June 2024 has yet been made. – Following completion of the Reinvestment Offer, it is expected that the number of Capital Notes 2 quoted on ASX will significantly reduce. This may affect the liquidity of the market for Capital Notes 2 and their market price.
Why have the Capital Notes 2 Terms been amended?	Suncorp has amended the Capital Notes 2 Terms to facilitate the Reinvestment Offer, including to enable: – the resale of Participating Capital Notes 2 to the Capital Notes 2 Nominated Purchaser on the Issue Date for $100 per Participating Capital Notes 2; and – the payment of a pro rata distribution to all Capital Notes 2 holders on the Issue Date for Capital Notes 5. The amended Capital Notes 2 Terms were lodged by Suncorp with the ASX on 16 April 2024.
What are the tax implications of having my Capital Notes 2 reinvested and will any brokerage or stamp duty be payable?	– A general outline of the taxation implications for certain investors who are Australian residents for tax purposes participating in the Reinvestment Offer can be found in the Australian taxation summary in Section 8. – No brokerage or stamp duty is payable on the reinvestment of your Capital Notes 2 or on your Application for Capital Notes 5 under the Reinvestment Offer provided that no person obtains, either alone or with associates, an interest of 90% or more in Suncorp. In some circumstances interests of persons who are not associates can be aggregated together in determining whether that threshold is met or exceeded. – Capital Notes 2 Holders who choose to sell their Capital Notes 2 on market through their broker may be required to pay applicable brokerage. – The taxation implications of participating in the Reinvestment Offer will depend on an investor's individual circumstances. You should obtain your own taxation advice before you hold or dispose of Capital Notes 2 or invest in Capital Notes 5 (including through the Reinvestment Offer).

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3.2 Key comparison of Capital Notes 5 and Capital Notes 2

A comparison of some of the key features of Capital Notes 5 and Capital Notes 2 is set out in summary form below, with some of the key differences highlighted. These comparisons are not exhaustive.

Feature	Capital Notes 5	Capital Notes 2
Issue date	14 May 2024	24 November 2017
Term	Perpetual	Perpetual
Legal form	Unsecured subordinated note	Unsecured subordinated note
Issuer	Suncorp	Suncorp
ASX code	Expected to be 'SUNPJ'	SUNPG
Issue price	$100 per Capital Note 5	$100 per Capital Note 2
Amount to be issued/currently on issue	$360 million with the ability to raise more or less	$375 million
Margin	2.80% per annum,as determined under the Bookbuild	3.65% per annum
Distribution rate	Floating	Floating
Distribution payment dates	Quarterly	Quarterly
Franking	Frankable and grossed up for any non-franked portion	Frankable and grossed up for any non-franked portion
Distribution payment conditions	Yes, subject to Suncorp's absolute discretion and certain Payment Conditions	Yes, subject to Suncorp's absolute discretion and certain payment conditions
Dividend restrictions if distributions are not paid	Suncorp must, unless approved by Special Resolution, not declare or determine to pay or pay a dividend or distribution on Ordinary Shares or buyback or reduce the capital on Ordinary Shares until and including the next quarterly Distribution Payment Date, unless the distribution on the Capital Notes 5 is paid in full within three Business Days	Suncorp must, unless approved by Special Resolution, not declare or determine to pay or pay a dividend or distribution on Ordinary Shares or buyback or reduce the capital on Ordinary Shares until and including the next quarterly distribution payment date, unless the distribution on the Capital Notes 2 is paid in full within three business days
Mandatory conversion	Yes	Yes
Mandatory conversion date	17 December 2032, or the first Distribution Payment Date after that on which the Mandatory Conversion Conditions are satisfied	17 June 2026, or the first distribution payment date after that on which the mandatory conversion conditions are satisfied
Conversion discount	1.00%	1.00%
Non-viability trigger event	Yes. As a result, all (or in some cases, some) of the Capital Notes 5 must be Converted and, if not Converted within five Business Days, those Capital Notes 5 must be Written-Off, in which case the Capital Notes 5 Holders' rights in respect of the relevant Capital Notes 5 are terminated	Yes. As a result, all (or in some cases, some) of the Capital Notes 2 must be converted and, if not converted within five business days, those Capital Notes 2 must be written-off, in which case the Capital Notes 2 holders' rights in respect of the relevant Capital Notes 2 are terminated

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Feature	Capital Notes 5	Capital Notes 2
Exchange	Suncorp may elect (with APRA's prior written approval and subject to certain conditions) to: – Exchange all or some Capital Notes 5 on the Optional Exchange Date, or following a Tax Event or Regulatory Event; or – Convert all (but not some only) Capital Notes 5 following a Potential Acquisition Event Subject to conditions, all Capital Notes 5 must be Converted following an Acquisition Event. Holders have no right to request an Exchange. Holders should not assume that APRA's approval will be given if requested	Suncorp may elect (with APRA's prior written approval and subject to certain conditions) to: – convert, redeem or resell all or some Capital Notes 2 on the optional exchange date, or following a tax event or regulatory event; or – convert all (but not some only) Capital Notes 2 following a potential acquisition event Subject to conditions, all Capital Notes 2 must be converted following an acquisition event. Holders have no right to request a conversion, redemption or resale. Holders should not assume that APRA's approval will be given if requested
Exchange method	Conversion, Redemption, Resale or a combination of Conversion, Redemption and/or Resale (subject to certain conditions)	Conversion, redemption, resale or a combination of conversion, redemption and/or resale (subject to certain conditions)
Ranking in a Winding-up	Rank ahead of Ordinary Shares, equally with Equal Ranking Instruments (including Capital Notes 5), but behind all Senior Ranking Creditors Return in a Winding-up may be adversely affected on account of a Non-Viability Trigger Event	Rank ahead of Ordinary Shares, equally with equal ranking instruments (including Capital Notes 2), but behind all senior ranking creditors Return in a Winding-up may be adversely affected on account of a non-viability trigger event
Voting rights	No right to vote at general meetings of Shareholders	No right to vote at general meetings of Shareholders
Regulatory capital treatment	Eligible Additional Tier 1 Capital	Eligible Additional Tier 1 Capital

3.3 Options available to Eligible Capital Notes 2 Holders

If you are an Eligible Capital Notes 2 Holder, you have the options set out below:

Option	What should Eligible Capital Notes 2 Holders do?
Option 1 – Apply to reinvest your Capital Notes 2 in Capital Notes 5 through your Syndicate Broker	– If you are an Eligible Capital Notes 2 Holder and you are an Australian resident client of a Syndicate Broker and you wish to participate in the Reinvestment Offer, you must apply to participate in the Reinvestment Offer through a Syndicate Broker. A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory at the end of this Prospectus. – Applications under the Reinvestment Offer will only be accepted from investors who satisfy the eligibility requirements in accordance with the TMD. You should contact a Syndicate Broker or other professional adviser to obtain more information on whether you meet the eligibility requirements. – You may apply to reinvest all or some of the Capital Notes 2 registered in your name at 7:00pm (AEST) on 8 April 2024 in Capital Notes 5. If you apply to reinvest your Capital Notes 2, you will not be required to make a separate Application Payment. – If you apply to reinvest your Capital Notes 2, you are applying to have those Capital Notes 2 resold to the Capital Notes 2 Nominated Purchaser and are directing the Capital Notes 2 Nominated Purchaser to repay the resale proceeds to Suncorp as the Application Payment for the corresponding number of Capital Notes 5. – You may also choose to apply for more Capital Notes 5 than the number of Capital Notes 2 registered in your name at 7:00pm (AEST) on 8 April 2024. If you apply for more Capital Notes 5 you will be required to make a separate Application Payment in respect of those additional Capital Notes 5 applied for. – You should contact your Syndicate Broker for instructions on how to submit an Application and, if applicable, an Application Payment.

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Option	What should Eligible Capital Notes 2 Holders do?
Option 2 – Sell your Capital Notes 2 on market through your broker	– You may choose to sell your Capital Notes 2 on market through your broker or otherwise at the prevailing market price. – The market price of Capital Notes 2 is subject to change from time to time. The current market price of Capital Notes 2 is available on the ASX website (**www.asx.com.au**), under the code 'SUNPG'. – If you elect to sell your Capital Notes 2 on market, you may have to pay brokerage and may receive a price greater or less than the issue price of $100 per Capital Note 2. – Following completion of the Reinvestment Offer, it is expected that the number of Capital Notes 2 quoted on ASX will significantly reduce. This may affect the liquidity of the market for Capital Notes 2 and their market price.
Option 3 – Purchase Capital Notes 5 under the New Money Offer	– If you satisfy the eligibility requirements set out in Section 7 you can separately apply for Capital Notes 5 under the New Money Offer, whether or not you apply to participate in the Reinvestment Offer. – Section 7 outlines the allocation policy, including that priority is intended to be given to Applicants applying to reinvest their Capital Notes 2 over other Applicants. No assurance is given that any Applicant (including an Applicant under the Reinvestment Offer) will receive an allocation of Capital Notes 5.
Option 4 – Take no action	– You are not required to participate in the Reinvestment Offer and as such you are not required to take any action. – If you take no action, your Capital Notes 2 will remain on issue in accordance with their terms. – Under the Capital Notes 2 Terms, Suncorp may elect to undertake a CN2 Exchange on 17 June 2024, subject to APRA's prior written approval, further conditions and Suncorp's absolute discretion. No decision to undertake a CN2 Exchange has yet been made.

3.4 Risks associated with participating in the Reinvestment Offer

If you are an Eligible Capital Notes 2 Holder and you apply under the Reinvestment Offer, you may receive an allocation of Capital Notes 5. As such, you will be subject to the risks associated with an investment in Capital Notes 5 and in Suncorp, many of which are outside the control of Suncorp and its Directors. These risks are outlined in Section 6 and should be considered before you apply under the Reinvestment Offer.

The Reinvestment Offer is not a simple rollover into an identical investment. The Capital Notes 2 and Capital Notes 5 have some differences (including that the Capital Notes 5 have a lower Margin), and must be evaluated separately (see Section 3.2 above).

Instead of participating in the Reinvestment Offer, Eligible Capital Notes 2 Holders may obtain a better financial outcome by selling their Capital Notes 2 on market and subsequently acquiring Capital Notes 5 on market or not reinvesting at all.

Following completion of the Reinvestment Offer, it is expected that the number of Capital Notes 2 quoted on ASX will significantly reduce. This may affect the liquidity of the market for Capital Notes 2 and their market price.

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4. About Suncorp

This Section sets out information about Suncorp and the Suncorp Group.

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4.1 Introduction

Suncorp is an ASX-listed company and financial services provider in Australia and New Zealand, and the ultimate parent company of the Suncorp Group, with a market capitalisation of approximately $21 billion as at 9 April 2024. The Suncorp Group offers insurance and banking products and services in Australia and New Zealand.

More information about the Suncorp Group and its businesses can be found at **www.suncorpgroup.com.au**.

4.2 Our Purpose

Suncorp has been serving customers for over 100 years, and its purpose is to build futures and protect what matters. Suncorp Group aspires to be a sustainable and responsible financial services group that helps its customers, people, shareholders and communities to prosper.

4.3 Overview of the Suncorp Group

Suncorp Group comprises four operating businesses – Consumer Insurance, Commercial and Personal Injury Insurance, Suncorp New Zealand and Suncorp Bank.

Consumer Insurance

Consumer Insurance delivers home, contents and motor insurance in Australia through its suite of brands including AAMI, Suncorp Insurance, GIO, Apia, CIL, Terri Scheer, Shannons and Bingle.

Commercial and Personal Injury Insurance

The Commercial and Personal Injury Insurance business supports the Commercial Insurance, Workers' Compensation and Compulsory Third Party needs of Suncorp's customers in Australia through the brands Vero, GIO, AAMI, Apia and Suncorp Insurance.

Suncorp New Zealand

Suncorp New Zealand represents Suncorp's operations within New Zealand and includes the brands Vero Insurance, Vero Liability, Asteron Life, and AA Insurance.

Proposed New Zealand Life sale

As announced on 4 April 2024, Suncorp Group has entered into an agreement with Resolution Life NOHC Pty Ltd for the sale of Suncorp's New Zealand life business, Asteron Life Limited (**New Zealand Life**) for NZ$410 million. Suncorp's New Zealand general insurance business remains unchanged and part of the Suncorp Group.

The sale of New Zealand Life remains subject to New Zealand regulatory approvals and notifications including from the Reserve Bank of New Zealand, the Overseas Investment Office (NZ) and the Commerce Commission (NZ). Subject to these being received, completion of the transaction is expected to occur within 9 months from 4 April 2024.

There are certain risks in relation to the Proposed New Zealand Life sale. Refer to Section 6.2.1.

Suncorp Bank

Suncorp Bank provides home and business loans, deposit and transaction account services to personal, small and medium enterprises (**SME**), commercial and agribusiness customers.

Proposed Suncorp Bank sale

Following a strategic review, Suncorp Group announced on 18 July 2022 that it has signed a share sale and purchase agreement with ANZ to sell Suncorp Bank for cash consideration of $4.9 billion, subject to customary completion adjustments (the **Proposed Bank Sale**).

As announced on 12 December 2022, ANZ lodged a merger authorisation application with the Australian Competition and Consumer Commission (**ACCC**) for the purchase of Suncorp Bank. On 4 August 2023, the ACCC determined not to grant merger authorisation for the acquisition of Suncorp Bank by ANZ.

On 25 August 2023, ANZ announced that it had filed an application for the Australian Competition Tribunal (**ACT**) to review the decision of the ACCC not to grant authorisation for ANZ's proposed acquisition of Suncorp Bank. On the same day, Suncorp announced that it had made its own application to the Tribunal for a review of the ACCC's decision.

On 20 February 2024, the ACT reversed the original decision of the ACCC, and granted authorisation of the Proposed Bank Sale.

The sale of Suncorp Bank remains subject to approvals from the Federal Treasurer under the *Financial Sector (Shareholdings) Act 1998* (Cth) and amendments by the Queensland Government to the *State Financial Institutions and Metway Merger Act 1996* (Qld). Subject to these being received, completion of the transaction is expected to be around the middle of the 2024 calendar year. As previously announced, the Suncorp Group expects to receive net proceeds of approximately $4.1 billion from the sale. The estimated proceeds are net of the impact of separation costs, transaction costs, other divestment related costs and provisions, indicative capital gains tax, and other capital impacts. The Suncorp Group remains committed to returning to shareholders any capital that is excess to the needs of the business following completion.

There are certain risks in relation to the Proposed Bank Sale. Refer to Section 6.2.1.

The Proposed Bank Sale will result in Suncorp becoming a dedicated Trans-Tasman insurance company.

4.4 Reinsurance

Reinsurance is a form of insurance for insurance companies where, in exchange for an agreed premium, the reinsurer agrees to pay all, or a share, of certain claims incurred by the insurance company. Reinsurance plays an important role in reducing retained insurance risk, meeting regulatory capital requirements, and reducing earnings volatility.

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 and exposure to specific events (such as cyclones or earthquakes) as well as increasing its capacity to write new policies.

Further information on the risks associated with reinsurance and a summary of the reinsurance structure for the financial year ending 30 June 2024 are set out in Section 6.2.5

4.5 Capital Management

What is capital?

Capital can be considered a measure of the financial cushion available to an institution to absorb any unexpected losses it experiences in running its business.

For regulatory purposes, capital is classified as follows:

- CET1 Capital comprising accounting equity with adjustments for intangible assets and regulatory reserves;
- Tier 1 Capital comprising CET1 Capital plus Additional Tier 1 (**AT1**) Capital such as hybrid securities with 'equity like' qualities (such as Capital Notes 5);
- Tier 2 Capital comprising certain securities recognised as Tier 2 Capital, together with specific regulated bank reserves eligible as regulatory capital; and
- Total Capital is the sum of Tier 1 Capital and Tier 2 Capital.

Suncorp Group's approach to managing capital

A range of instruments and methodologies are used to manage capital, including share issues, reinsurance, dividend policies, Tier 1 Capital instruments and Tier 2 Capital instruments.

The Suncorp Group's capital management strategy seeks to optimise shareholder value by managing the level, mix and use of capital resources. The primary objective is to seek to ensure that there are sufficient capital resources to maintain and grow the business. The quality and quantum of capital required is driven by a range of factors and in particular, the Suncorp Group's external and internal requirements and risk appetite.

The Suncorp Group's Internal Capital Adequacy Assessment Process (**ICAAP**) provides the framework to seek to ensure that Suncorp and each Regulated Entity is capitalised to meet internal and external requirements. The ICAAP is reviewed regularly and, where appropriate, adjustments are made to reflect changes in the capital needs and risk profile of the Suncorp Group. Capital targets are structured according to risk appetite, the regulatory framework and APRA's NOHC conditions.

A proforma capital adequacy position that considers the impact of the Capital Notes 5 issue is set out in Section 5.5.

Regulatory considerations

The Suncorp Group is subject to, and in compliance with, externally imposed capital requirements set and monitored by APRA and the RBNZ.

In September 2023, APRA released a discussion paper entitled "Discussion Paper – Enhancing bank resilience: Additional Tier 1 Capital in Australia" (**APRA Discussion Paper**).

There are potential risks associated with the APRA Discussion Paper, as set out in Section 6.2.4. See also Section 6.1.20 which outlines other potential risks associated with regulatory classification and prudential supervision, including the potential impacts which may result from changes in the eligibility requirements for Additional Tier 1 Capital.

Until any proposed regulatory or prudential changes (if any) are known, it is not possible to state what their impact (if any) might be on Capital Notes 5.

4.6 Investments

The Suncorp Group's investment strategy plays a key part in achieving an appropriate balance between risk and return. Suncorp Group's strategy utilises a diverse range of trading and investment securities. This generates investment income which contributes to the Suncorp Group's results, assists in meeting the Suncorp Group's cash flow needs to pay claims (part of insurance activities), meet customer demands (part of banking activities) and Suncorp Group's capital requirements.

4.7 Risk management

The Suncorp Group applies a consistent and integrated approach to enterprise risk management and 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 seek to identify, assess, manage, analyse, monitor and report on internal and external sources of material risk. Further information regarding the Suncorp Group's approach to risk management can be found in the 30 June 2023 Annual Report.

The key risks to the Suncorp Group are outlined in Section 6.2.

4.8 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**), 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. 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.

Key regulatory matters which may impact the Suncorp Group is set out in the Suncorp Group's consolidated interim financial report for the half-year ended 31 December 2023.

Further information on regulatory risks which may affect the Suncorp Group is set out in Section 6.2.4.

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4.9 Directors of Suncorp

The Directors of Suncorp as at the date of this Prospectus are:

- Ms Christine McLoughlin, AM, Independent Chairman;
- Mr Steve Johnston, Group CEO and Managing Director;
- Ms Gillian Brown, Independent Non-Executive 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;
- Mr Lindsay Tanner, Independent Non-Executive Director;
- Mr Duncan West, Independent Non-Executive Director.

On 27 February 2024 Ms Gillian Brown was appointed as a Non-Executive Director, following the retirement of Dr Douglas McTaggart in December 2023. Ms Brown will stand for election at Suncorp's 2024 Annual General Meeting.

The Directors of Suncorp may change from time to time due to the appointment or resignation of Directors (including at Suncorp's 2024 Annual General Meeting), 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**.

Information on the Board of Directors can be accessed by selecting 'About us' and then 'Board & Committees', and the Board Charter can be accessed by selecting 'About us' and then 'Governance and policies'.

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5. Financial information

This Section sets out:

- summary financial and capital information for Suncorp and the Suncorp Group
- pro forma financial information demonstrating the effect of the Offer on Suncorp and the Suncorp Group; and
- pro forma capital information demonstrating the effect of the Offer on the Suncorp Group

5.1 Introduction

Section 5 provides summary actual historical financial and capital information and summary pro forma financial and capital information for Suncorp and the Suncorp Group. The pro forma financial and capital information does not adjust for the impact of the Proposed Bank Sale and proposed New Zealand Life sale (refer Section 4.3).

Unless otherwise indicated, the Suncorp Group summary actual financial information has been extracted from the Suncorp Group's audited consolidated financial reports and reviewed consolidated interim financial reports available at **suncorpgroup.com.au/investors/reports**.

The summary financial and capital information has, except as otherwise noted, been prepared in accordance with the measurement and recognition requirements, but not the disclosure requirements, of the Australian Accounting Standards and other mandatory reporting requirements in Australia as well as APRA prudential standards. The presentation currency of the summary financial and capital information is in Australian dollars.

Investors should note that past performance is not a reliable indicator of future performance.

5.2 AASB 17 Insurance Contracts

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

The underlying economics and cashflows of the Suncorp Group's insurance business and the approach to managing the business are not impacted by the introduction of AASB 17. AASB 17 introduces changes to the measurement of insurance contracts, impacting the timing of profit and loss emergence.

AASB 17 also introduces new requirements for the classification and disclosure of insurance contracts in the financial statements, including the following significant changes:

- In the statement of comprehensive income, insurance and reinsurance are identified separately within the new disclosures for the 'Insurance Service Result' and the 'Insurance Finance Result'.
- In the statement of financial position, assets and liabilities from insurance contracts issued and reinsurance contracts held are disclosed separately, replacing the previous disclosures for premiums receivable, outstanding claims liabilities, deferred acquisition costs and reinsurance recoveries required under AASB 4, AASB 1023 and AASB 1038.

Under AASB 17, insurance contracts are aggregated into portfolios consisting of similar risks that are managed together. The standard features the General Measurement Model (**GMM**) as its default measurement model but allows a simplified measurement model known as the Premium Allocation Approach (**PAA**).

The Suncorp Group applies the PAA for the entire general insurance business and ~65% of life insurance contracts issued. While the GMM is applied to ~35% of the life contracts issued, a third measurement model, the 'Variable Fee Approach' is required for insurance contracts with direct participation (profit-sharing) features. This is applicable for a small proportion (<1%) of the Suncorp Group's life insurance contracts.

Transition

AASB 17 is to be applied retrospectively to all insurance contracts on the transition date unless it is impractical to do so. The Suncorp Group has applied AASB 17 for the first time in its interim consolidated financial statements as at 31 December 2023. The Suncorp Group has applied the full retrospective approach for its general insurance contracts and the majority of its life insurance contracts.

The Suncorp Group is required to disclose the balance sheet impact of transitioning to AASB 17 and to provide one year's comparative information. This impact is calculated at the transition date, which is the beginning of the annual reporting period immediately before initial application. As the Suncorp Group has applied AASB 17 from 1 July 2023, the transition date is 1 July 2022.

The majority of the transition impact for general insurance contracts has arisen from the valuation of the liability for incurred claims and the asset for incurred claims (outstanding claims liabilities and reinsurance recoveries), driven by a change in the risk adjustment and discount rate. This is partially offset by the recognition of losses on groups of contracts considered onerous (a loss component added to the liability for remaining coverage (unearned premium)).

For the New Zealand Life business, the estimated impact upon transition is largely driven by accelerated amortisation of deferred acquisition costs and shorter contract boundaries.

On adoption, the Suncorp Group recognised an increase in retained profits as at 1 July 2022 of $60 million. Table 1 below summarises this adjustment. This information has been extracted from Suncorp Group's reviewed consolidated interim financial report for the half year ended 31 December 2023.

Table 2 below shows the impact of AASB 17 on net profit after tax for the year ended 30 June 2023. This information has been prepared based on management information and accounting records of Suncorp Group and has not been audited or reviewed.

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Table 1 – Summary of transitional impact of AASB 17 to retained earnings as at 1 July 2022

$ million	Adjustment	Net assets 1 July 2022
Net assets – 30 June 2022 under AASB 1023		**12,783**
General insurance		
Risk adjustment – probability of adequacy	533	
Illiquidity premium – discount rate	48	
Deferred acquisition costs	(25)	
Loss component – onerous contracts	(55)	
Other	(17)	
Impact on net assets before tax	**484**	
Tax	(145)	
Net impact on net assets for general insurance	**339**	
Net impact on net assets for New Zealand Life	**(279)**	
Net impact on net assets at transition for Suncorp Group		**60**
Net assets – 1 July 2022 under AASB 17		**12,843**

Table 2 – Impact of AASB 17 measurement changes on net profit after tax for the financial year ended 30 June 2023

$ million	Adjustment	Net profit after tax FY23
Net profit after tax FY23 – restated under AASB 17		**1,082**
General insurance		
Risk adjustment – probability of adequacy	(16)	
Illiquidity premium – discount rate	2	
Deferred acquisition costs	55	
Loss component – onerous contracts	43	
Other	(1)	
Total impact on profit before tax	**83**	
Tax	(29)	
Impact on net profit after tax for general insurance	**54**	
New Zealand Life (net of tax)	**23**	
Total impact on FY23 profit after tax for Suncorp Group		**77**
Net profit after tax FY23 – reported under AASB 1023		**1,159**

5.3 Selected financial information of the Suncorp Group

In this Prospectus, comparative information as at and for the financial year ended 30 June 2023, and for the six months ended 31 December 2022, has been restated for the impact of AASB 17. Financial periods ending 30 June 2022 and prior are not required to be restated, and it is not practicable to do so.

This section presents the following financial information for the Suncorp Group:

- the consolidated statements of comprehensive income for the financial years ended 30 June 2022 and 30 June 2023 as previously published under AASB 4, AASB 1023 and AASB 1038, not restated for AASB 17;
- the consolidated statements of comprehensive income prepared in accordance with AASB 17 for the financial year ended 30 June 2023 and the half years ended 31 December 2022 and 31 December 2023; and
- the consolidated statements of financial position as at 30 June 2023 and as at 31 December 2023 prepared in accordance with AASB 17, and the unaudited pro forma consolidated statement of financial position as at 31 December 2023.

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Consolidated statements of comprehensive income (not restated for AASB 17)

The following table sets out the Suncorp Group's consolidated statements of comprehensive income for the financial years ended 30 June 2022 (**FY22**) and 30 June 2023 (**FY23**). This information has been prepared in accordance with AASB 4, AASB 1023 and AASB 1038 and has been extracted from Suncorp's Group audited consolidated financial report for the year ended 30 June 2023.[1,2]

$ million	FY22	FY23
Revenue		
Insurance premium income	11,132	12,095
Reinsurance and other recoveries income	2,452	2,169
Interest income	1,865	3,525
Net gains on financial assets and liabilities at fair value through profit or loss	-	147
Dividend and trust distribution income	252	46
Fees and other income	468	372
Total revenue	16,169	18,354
Expenses		
Claims expense	(8,786)	(9,740)
Outwards reinsurance premium expense	(1,357)	(1,535)
Underwriting expense	(2,371)	(2,332)
Interest expense	(385)	(1,769)
Net losses on financial assets and liabilities at fair value through profit or loss	(1,179)	-
Impairment (expense) release on loans and advances	14	(17)
Amortisation and depreciation expense	(207)	(206)
Fees, overheads and other expenses	(1,016)	(1,113)
Outside beneficial interests in managed funds	(45)	-
Total expenses	(15,332)	(16,712)
Profit before income tax	837	1,642
Income tax expense	(138)	(483)
Profit for the financial year	699	1,159
Profit for the period attributable to:		
Owners of the Company	681	1,148
Non-controlling interests	18	11
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Net change in fair value of cash flow hedges	(183)	(47)
Net change in debt investments at fair value through other comprehensive income	(81)	10
Exchange differences on translation of foreign operations	(31)	16
Related income tax benefit	79	11
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains on defined benefit plans	11	4
Net change in equity investments at fair value through other comprehensive income	(10)	(6)
Related income tax benefit (expense)	(1)	1
Total other comprehensive loss	(216)	(11)
Total comprehensive income for the financial year	483	1,148
Total comprehensive income for the financial year attributable to:		
Owners of the Company	465	1,137
Non-controlling interests	18	11

[1] These statements have not been restated in accordance with the requirements of AASB 17.

[2] This table includes the segment results for Suncorp Bank which are summarised in Note 3 of the Suncorp Group consolidated financial statements for FY23. Upon completion of the Proposed Bank Sale (refer to Section 4.3), the Suncorp Group result will no longer include a contribution from Suncorp Bank. Following completion of the Proposed Bank Sale, some recurring costs currently allocated to the Suncorp Bank business will remain with Suncorp Group (stranded costs). These are not expected to be material to the Suncorp Group.

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Consolidated statements of comprehensive income (AASB 17 format)

The following table sets out the Suncorp Group's consolidated statements of comprehensive income for the financial year ended 30 June 2023 (**FY23**), together with the interim statements of comprehensive income for the half years ended 31 December 2022 (**1H23**) and 31 December 2023 (**1H24**). The FY23 and 1H23 amounts have been restated for the effect of AASB 17. The FY23 financial information has been extracted from management information and accounting records of Suncorp and have not been audited or reviewed. The 1H24 and 1H23 financial information has been extracted from Suncorp's Group reviewed consolidated interim financial report for the half year ended 31 December 2023.

$ million	Restated FY23[1,2]	Restated 1H23[1,2]	1H24[2]
Insurance revenue	12,081	5,940	6,702
Insurance service expense	(11,349)	(5,053)	(5,634)
Reinsurance premium expense	(1,422)	(678)	(756)
Reinsurance recoveries	1,481	188	94
Insurance service result	**791**	**397**	**406**
Insurance investment income	608	215	629
Insurance finance expense	(147)	(56)	(266)
Reinsurance finance income	27	13	43
Net insurance financial result	**1,279**	**569**	**812**
Interest income	3,096	1,349	2,040
Interest expense	(1,766)	(661)	(1,433)
Net interest income	1,330	688	607
Net gains on financial assets and liabilities at fair value through profit or loss from non-insurance activities	14	6	12
Fees and other income	274	138	125
Fees, overheads and other expenses	(1,136)	(500)	(572)
Impairment expense on loans and advances	(17)	(2)	(1)
Amortisation and depreciation expense	(203)	(97)	(113)
Profit before income tax	**1,541**	**802**	**870**
Income tax expense	(459)	(241)	(274)
Profit for the period	**1,082**	**561**	**596**
Profit for the period attributable to:			
Owners of the Company	1,071	552	582
Non-controlling interests	11	9	14
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of cash flow hedges	(47)	(20)	164
Net change in debt investments at fair value through other comprehensive income	10	12	(1)
Exchange differences on translation of foreign operations	16	25	9
Related income tax (expense) benefit	11	2	(49)
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains on defined benefit plans	4	-	-
Net change in equity investments at fair value through other comprehensive income	(6)	(6)	-
Related income tax (expense) benefit	1	2	-
Total other comprehensive income for the period	**(11)**	**15**	**123**
Total comprehensive income for the period	**1,071**	**576**	**719**
Total comprehensive income for the period attributable to:			
Owners of the Company	1,060	567	705
Non-controlling interests	11	9	14

1 Restated in accordance with the requirements of AASB 17.

2 This table includes the segment results for Suncorp Bank which are summarised in Note 3 of the Suncorp Group consolidated interim financial report for 1H24 and Note 3 of the Suncorp Group consolidated financial statements for FY23. Upon completion of the Proposed Bank Sale (refer to Section 4.3), the Suncorp Group result will no longer include a contribution from Suncorp Bank. Following completion of the Proposed Bank Sale, some recurring costs currently allocated to the Suncorp Bank business will remain with Suncorp Group (stranded costs). These are not expected to be material to the Suncorp Group.

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Consolidated statements of financial position and unaudited pro forma consolidated statement of financial position

The following table sets out the Suncorp Group's consolidated statement of financial position as at 30 June 2023[1] and as at 31 December 2023. The financial information presented has been prepared in accordance with AASB 17 and has been extracted from Suncorp's Group reviewed consolidated interim financial report for the half year ended 31 December 2023.

The "Proforma adjustments for the Offer" column in the table below, shows the adjustments that would be made to the Suncorp Group's consolidated statement of financial position assuming:

- $360 million Capital Notes 5 are issued on 31 December 2023, net of estimated issue transaction costs of approximately $7 million[2]; and
- the full $375 million Capital Notes 2 are redeemed either in the hands of the Nominated Purchaser under the Reinvestment Offer, or on the Capital Notes 2 optional exchange date being 17 June 2024.[3] No decision to convert, redeem or resell Capital Notes 2 on 17 June 2024 has yet been made, and any such decision would be subject to APRA approval.

The "Proforma as at 31 December 2023" column in the table below provides the adjusted position after taking into account these items.

$ million	Restated 30 June 2023[1]	Actuals as at 31 December 2023	Pro forma adjustments for the Offer[2]	Pro forma as at 31 December 2023[3,4]
Assets				
Cash and cash equivalents	3,908	2,899	(22)	2,877
Receivables due from other banks	1,788	848	-	848
Trading securities	2,218	3,351	-	3,351
Derivatives	606	519	-	519
Investment securities	23,049	23,996	-	23,996
Loans and advances	67,102	68,310	-	68,310
Insurance contract assets	180	183	-	183
Reinsurance contract assets	1,995	1,694	-	1,694
Property, plant and equipment	604	590	-	590
Deferred tax assets	377	273	-	273
Goodwill and other intangible assets	5,294	5,279	-	5,279
Other assets	916	866	-	866
Total assets	**108,037**	**108,808**	**(22)**	**108,786**
Liabilities				
Deposits	51,178	52,304	-	52,304
Derivatives	682	568	-	568
Payables and other liabilities	3,187	2,798	-	2,798
Insurance contract liabilities	12,583	12,734	-	12,734
Provisions and employee benefit liabilities	469	369	-	369
Deferred tax liabilities	51	118	-	118
Borrowings	24,009	23,619	-	23,619
Loan capital	2,544	2,543	(22)	2,521
Total liabilities	**94,703**	**95,053**	**(22)**	**95,031**
Net assets	**13,334**	**13,755**	**-**	**13,755**
Equity				
Share capital	12,384	12,447	-	12,447
Reserves	(46)	65	-	65
Retained profits	962	1,199	-	1,199
Total equity attributable to owners of the Company	**13,300**	**13,711**	**-**	**13,711**
Non-controlling interests	34	44	-	44
Total equity	**13,334**	**13,755**	**-**	**13,755**

1 Restated in accordance with the requirements of AASB 17.

2 The actual issue amount may be more or less than $360 million and, consequently, the issue transaction costs may be more or less than $7 million. In addition, the full $375 million of Capital Notes 2 is assumed to be redeemed on this date, either in the hands of the Nominated Purchaser or by way of a CN2 Exchange on the Capital Notes 2 optional exchange date.

3 No decision to convert, redeem or resell Capital Notes 2 on 17 June 2024 has yet been made and any such decision is subject to APRA approval. As outlined in Section 1.1 of this Prospectus, Suncorp has an option to convert, redeem or resell the $375 million Capital Notes 2 on 17 June 2024 and will consider converting, redeeming or reselling the Capital Notes 2 which are still on issue on that date, subject to various factors. Suncorp intends to redeem all of the Capital Notes 2 participating in the Reinvestment Offer, once they have been acquired by the Nominated Purchaser. The above pro forma statement assumes that all of the resold Capital Notes 2 are redeemed. The actual number and value of Capital Notes 2 that is redeemed will be notified by Suncorp to the ASX on or about the Issue Date.

4 The pro forma balance sheet includes net assets attributable to Suncorp Bank which contributes approximately 30% to the Group net assets at 31 December 2023. Upon completion of the Proposed Bank Sale (refer to Section 4.3), the assets and liabilities attributable to Suncorp Bank will be derecognised.

5.4 Summarised financial information of Suncorp

Suncorp is the issuing entity for Capital Notes 5. It is a NOHC and the ultimate parent company of the Suncorp Group. Suncorp applies the amendments to the Corporations Act that remove the requirement to prepare separate parent entity financial statements. This section contains certain information extracted from the Suncorp Group's audited consolidated financial reports for the years ended 30 June 2022 (**FY22**) and 30 June 2023 (**FY23**), and from Suncorp Group Limited's unaudited trial balances for the half years ended 31 December 2022 (**1H23**) and 31 December 2023 (**1H24**). AASB 17 does not impact the financial information of Suncorp Group Limited as this entity does not issue insurance contracts.

Summary financial results

The disclosures in the following table represent Suncorp's stand-alone parent entity results for FY23 and 1H24, with the prior period comparatives.

$ million	FY22	FY23	1H23	1H24
Results of Suncorp				
Profit after tax for the year	845	383	89	508
Total comprehensive income for the year	845	383	89	508

Summary financial position and pro forma summary financial position

The following table summarises Suncorp's stand-alone financial position (as parent entity) as at 30 June 2023 and 31 December 2023.

The "Proforma adjustments for the Offer" column in the table below, shows the adjustments that would be made to the Suncorp Group's consolidated statement of financial position assuming:

- $360 million Capital Notes 5 are issued on 31 December 2023, net of estimated issue transaction costs of approximately $7 million[1]; and
- the full $375 million Capital Notes 2 are redeemed either in the hands of the Nominated Purchaser under the Reinvestment Offer, or on the Capital Notes 2 optional exchange date being 17 June 2024.[2] No decision to convert, redeem or resell Capital Notes 2 on 17 June 2024 has yet been made, and any such decision would be subject to APRA approval.

The "Proforma as at 31 December 2023" column in the table below provides the adjusted net assets position after taking into account these items.

$ million	Actuals as at 30 June 2023	Actuals as at 31 December 2023	Pro forma adjustments for the Offer[1]	Pro forma as at 31 December 2023[2]
Current assets	476	720	(22)	698
Non-current assets	14,865	14,876	-	14,876
Total assets	**15,341**	**15,596**	**(22)**	**15,574**
Current liabilities	79	110	-	110
Non-current liabilities	2,544	2,543	(22)	2,521
Total liabilities	**2,623**	**2,653**	**(22)**	**2,631**
Net assets	**12,718**	**12,943**	**-**	**12,943**
Total equity consists of:				
Share capital	12,407	12,466	-	12,466
Retained profits	311	477	-	477
Total equity	**12,718**	**12,943**	**-**	**12,943**

Notes:

1 The actual issue amount may be more or less than $360 million and, consequently, the issue transaction costs may be more or less than $7 million. In addition, the full $375 million of Capital Notes 2 is assumed to be redeemed on this date, either in the hands of the Nominated Purchaser or by way of a CN2 Exchange on the Capital Notes 2 optional exchange date.

2 No decision to convert, redeem or resell Capital Notes 2 on 17 June 2024 has yet been made and any such decision is subject to APRA approval. As outlined in Section 1.1 of this Prospectus, Suncorp has an option to convert, redeem or resell the $375 million Capital Notes 2 on 17 June 2024 and will consider converting, redeeming or reselling the Capital Notes 2 which are still on issue on that date, subject to various factors. Suncorp intends to redeem all of the Capital Notes 2 participating in the Reinvestment Offer, once they have been acquired by the Nominated Purchaser. The above pro forma statement assumes that all of the resold Capital Notes 2 are redeemed. The actual number and value of Capital Notes 2 that is redeemed will be notified by Suncorp to the ASX on or about the Issue Date.

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5.5 Pro forma capital adequacy position

The following table sets out the Suncorp Group's actual capital adequacy position as at 30 June 2023 and as at 31 December 2023. It also provides the Suncorp Group's pro forma capital adequacy position as at 31 December 2023, based on the Suncorp Group's financial position as at 31 December 2023 and after adjusting for the following assumptions:

The "Pro forma adjustments for the Offer" column in the table below shows the adjustments that would be made to the Suncorp Group's capital adequacy position assuming:

- $360 million Capital Notes 5 are issued on 31 December 2023[1];
- the instrument is to be eligible for recognition as Additional Tier 1 Capital;
- issue costs associated with the Offer are assumed to be approximately $7 million[1]; and
- the full $375 million Capital Notes 2 are redeemed either in the hands of the Nominated Purchaser under the Reinvestment Offer, or on the Capital Notes 2 optional exchange date being 17 June 2024.[2] No decision to convert, redeem or resell Capital Notes 2 on 17 June 2024 has yet been made, and any such decision would be subject to APRA approval.

The "Pro forma as at 31 December 2023" column in the table below provides the adjusted position after taking into account these items. The pro forma has not been adjusted for the Proposed Bank Sale and Proposed New Zealand Life sale. The Suncorp Group remains committed to returning to shareholders any capital that is excess to the needs of the business following completion. Refer to Section 4.3 of this Prospectus.

$ million	**Actuals as at 30 June 2023[3]**	**Actuals as at 31 December 2023**	**Pro forma adjustments for the Offer[1]**	**Pro forma as at 31 December 2023[2]**
CET1 Capital	7,408	7,844	(7)	7,837
Additional Tier 1 Capital	1,169	1,169	(15)	1,154
Tier 1 Capital	8,577	9,013	(22)	8,991
Tier 2 Capital	1,611	1,605	-	1,605
Total Capital	10,188	10,618	(22)	10,596
Suncorp Group excess to CET1 Capital Target (after interim ordinary dividends)[3]	34	119	(7)	112
Suncorp Group excess Total Capital to target (after interim ordinary dividends)	277	362	(22)	340

Notes:

1 The actual issue amount may be more or less than $360 million and, consequently, the issue transaction costs may be more or less than $7 million. In addition, the full $375 million of Capital Notes 2 is assumed to be redeemed on this date, either in the hands of the Nominated Purchaser or by way of a CN2 Exchange on the Capital Notes 2 optional exchange date.

2 No decision to convert, redeem or resell Capital Notes 2 on 17 June 2024 has yet been made and any such decision is subject to APRA approval. As outlined in Section 1.1 of this Prospectus, Suncorp has an option to convert, redeem or resell the $375 million Capital Notes 2 on 17 June 2024 and will consider converting, redeeming or reselling the Capital Notes 2 which are still on issue on that date, subject to various factors. Suncorp intends to redeem all of the Capital Notes 2 participating in the Reinvestment Offer, once they have been acquired by the Nominated Purchaser. The above pro forma statement assumes that all of the resold Capital Notes 2 are redeemed. The actual number and value of Capital Notes 2 that is redeemed will be notified by Suncorp to the ASX on or about the Issue Date.

3 The 30 June 2023 comparative information is prepared on an AASB 1023 basis and is extracted from Note 22 of the Suncorp Group's audited consolidated financial report for the year ended 30 June 2023.

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6. Investment risks

This Section describes some of the risks associated with an investment in Capital Notes 5 and in the Suncorp Group.

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. They are not an exhaustive statement of all risks that might emerge and are not listed in order of likelihood of occurrence or impact and there is no guarantee or chance 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 other information in this Prospectus, before deciding whether to invest in Capital Notes 5.

This summary does not cover all the risks of investing in Capital Notes 5.

Before applying for Capital Notes 5, you should consider whether Capital Notes 5 are a suitable investment for you. There are risks associated with an investment in Capital Notes 5 and in the Suncorp Group, many of which are outside the control of Suncorp and its Directors.

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6.1 Risks associated with investing in Capital Notes 5

6.1.1 Capital Notes 5 are not deposit or policy liabilities

Capital Notes 5 are not:

- deposits or policy liabilities of Suncorp or any other member of the Suncorp Group;
- protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the Banking Act or of the Financial Claims Scheme established under Division 2AA of Part II of the Banking Act;
- protected policies for the purposes of the policyholder protection provisions of the Insurance Act;
- guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction or by any other person; or
- secured over any of Suncorp's or any member of the Suncorp Group's assets.

The investment performance of Capital Notes 5 is not guaranteed by Suncorp or any other member of the Suncorp Group or any other person.

6.1.2 Market price of Capital Notes 5

The market price of Capital Notes 5 may fluctuate due to various factors, including but not limited to:

- Factors that may affect capital markets including investor perceptions, Australian and international economic conditions, major Australian or international events including acts of terrorism, an outbreak of or major escalation in international hostilities or tensions (including the ongoing conflicts between Russia and Ukraine and within the Middle East), geopolitical instability, cyber security threats, changes in interest rates, credit margins, foreign exchange rates, credit ratings, movements in the market price of Ordinary Shares or senior or subordinated debt.
- Suncorp's financial performance and position and other factors that may affect the financial performance and position.
- Factors that may lead to risks associated with the note terms including the occurrence or potential occurrence of a Non-Viability Trigger Event or factors resulting in Suncorp deciding or not being permitted to make payments on Capital Notes 5, the effect of any Exchange or Write-Off on the amount outstanding (if any) of Capital Notes 5 on issue, the risk of early Exchange following a Tax Event or Regulatory Event. Capital Notes 5 may trade at a market price below the Issue Price. There is no guarantee that Capital Notes 5 will remain continuously quoted on ASX or ASX will not suspend trading in Capital Notes 5.
- Impacts of regulatory change (including potential changes to APRA prudential standards and product intervention by ASIC in the market for Capital Notes 5 or similar securities).

Holders who wish to sell or otherwise transfer their Capital Notes 5 prior to Exchange may suffer loss if Capital Notes 5 trade at a market price below the amount for which Capital Notes 5 were acquired by those Holders.

In recent years, markets have sometimes been volatile, brought on by geopolitical risk, supply chain disruption and global economic outlook. Volatility risk is the potential for fluctuations in the price of securities, sometimes markedly and over a short period. Investing in volatile conditions implies a greater level of volatility risk for investors than an investment in a more stable market.

You should carefully consider the impact of volatility risk on the potential market price of Capital Notes 5 before deciding whether to invest in Capital Notes 5.

Holders should note that, unlike Ordinary Shares, Capital Notes 5 do not provide a material exposure to growth in the Suncorp Group's business.

Any Ordinary Shares issued on Conversion will rank equally with existing Ordinary Shares and their ongoing value will reflect the market price of Ordinary Shares after the date on which Capital Notes 5 are Converted. That market price of Ordinary Shares is also subject to many of the factors outlined above and may be volatile.

6.1.3 Liquidity

There is a risk that there may be no liquid market for Capital Notes 5. Although Suncorp intends to have Capital Notes 5 quoted on ASX, there is no guarantee that a liquid market will develop for Capital Notes 5. The market for Capital Notes 5 may be less liquid than the market for Ordinary Shares or comparable securities issued by Suncorp or other entities and may be volatile. The market price of Capital Notes 5 is likely to fluctuate and, if Holders wish to sell or otherwise transfer their Capital Notes 5 prior to Exchange, they may be unable to do so at a price acceptable to them, or at all, if insufficient liquidity exists in the market for Capital Notes 5.

The liquidity of the market for Capital Notes 5 may be negatively impacted by a number of factors, including changes in law, including law relating to franking credits or other laws, or if pursuant to the PIP Regime, ASIC exercises its product intervention powers in relation to Capital Notes 5 or comparable securities issued by Suncorp or other entities, or changes resulting from the APRA Discussion Paper (see Section 6.1.20 and 6.2.4).

The DDO Regime imposes design and distribution obligations on the issuers, providers and distributors of financial products and the PIP Regime provides ASIC with a product intervention power (see Section 6.1.29 for further detail). The impact of these obligations has not been definitively tested, however there is a risk that they may adversely impact the issue, distribution and reinvestment of financial products in the future, including instruments like Capital Notes 5. The DDO Regime may also affect the liquidity of funding instruments (including instruments such as Capital Notes 5), if it leads to a material reduction in future issuance volumes or secondary trading activity by investors.

Capital Notes 5 are expected to Convert into Ordinary Shares as described in Sections 2.2 and 2.3 of this Prospectus. Where Capital Notes 5 are Converted, there may be no liquid market for Ordinary Shares at the time of Conversion or the market for Ordinary Shares may be less liquid than that for comparable securities issued by other entities at the time of Conversion. As a consequence, Capital Notes 5 Holders who wish to sell the Ordinary Shares they may receive may be unable to do so at an acceptable price, or at all, if the market for Ordinary Shares is illiquid. In addition, there is no guarantee that Ordinary Shares will remain continuously quoted on ASX. Trading of ASX listed securities may be suspended in certain circumstances.

The liquidity of the market for Capital Notes 5 may be negatively impacted if ASIC exercises its product intervention powers (as outlined in Section 6.1.29) in relation to comparable securities issued by Suncorp or other entities.

6.1.4 Market price and liquidity of Ordinary Shares

There is a risk that the market price of the number of Ordinary Shares received per Capital Note 5 on Conversion will be less than the Issue Price of the Capital Note 5 and the market price of Ordinary Shares may fluctuate after Conversion.

Where Capital Notes 5 are Converted, other than on account of a Non-Viability Trigger Event (see Section 6.1.12), the number of Ordinary Shares issued is calculated to have a value of approximately $101 per Capital Note 5 (calculated on the VWAP basis provided in the Terms). However, the market price of the Ordinary Shares issued upon Conversion will likely be different from the VWAP used in the Conversion calculations and will fluctuate due to various factors, including Australian and worldwide economic conditions, investor perceptions, Suncorp's financial performance and position (see Section 6.1.18), and the market price of the number of Ordinary Shares received per Capital Note 5 on Conversion could be less than the Issue Price of the Capital Note 5. Where Capital Notes 5 are Converted on account of a Non-Viability Trigger Event, the number of Ordinary Shares issued per Capital Note 5 could be worth less than $101 per Capital Note 5 and, in addition, the Non-Viability Trigger Event is likely to be accompanied by deterioration in the market price of the Ordinary Shares.

Other events and conditions may affect the ability of Holders to trade or dispose of the Ordinary Shares issued on Conversion; for example, the willingness or ability of ASX to accept the Ordinary Shares issued on Conversion for quotation, or any practical issues which affect that quotation, whether ASX has suspended trading in Ordinary Shares, any disruption to the market for Ordinary Shares or to capital markets generally, the availability of purchasers for Ordinary Shares and any costs or practicalities associated with trading or disposing of Ordinary Shares at that time, or laws of general application, including securities law and laws relating to the holding of shares and other interests in financial institutions, which limit a person's ability to acquire or dispose of Ordinary Shares. ASX has broad powers to suspend trading in Ordinary Shares, including because Suncorp has not complied with the ASX Listing Rules.

6.1.5 Distributions may not be paid

There is a risk that Distributions will not be paid. The Terms do not oblige Suncorp to pay Distributions.

The payment of a Distribution is subject to Suncorp's absolute discretion and to no Payment Condition existing in respect of the relevant Distribution Payment Date (see Section 2.1.7). The Payment Conditions require, amongst other things, that, unless APRA otherwise approves, paying the Distribution would not result in the Suncorp Group not complying with APRA's capital adequacy requirements. In addition, the Payment Conditions prevent a Distribution to be paid if that would result in Suncorp becoming, or being likely to become, insolvent or APRA objects to the payment of the Distribution. There is a risk that one or more elements of the Payment Conditions will not be met or that Suncorp could exercise its discretion not to pay Distributions at any time and for any (or no) reason and there is, therefore, a risk that a Distribution may not be paid in full or at all.

Distributions may not be paid if APRA objects to the payment of discretionary capital distributions.

The Terms contain no events of default and, accordingly, failure to pay a Distribution when scheduled will not constitute an event of default. If Suncorp does not pay a Distribution when scheduled, a Holder:

- has no right to apply for Suncorp to be wound up or placed in administration or to cause a receiver, or a receiver and manager, to be appointed in respect of Suncorp merely on the grounds that Suncorp does not, or may become unable to, pay a Distribution when scheduled; and
- has no right of set-off and no offsetting rights or claims on Suncorp under the Terms.

Distributions are non-cumulative, meaning that if not paid, Distributions do not accrue for future payment. If a Distribution is not paid for any reason, Holders will have no recourse whatsoever to Suncorp for the unpaid amount and will not receive payment of those Distributions or any interest on unpaid Distributions.

However, if Suncorp does not pay a Distribution in full on a Distribution Payment Date, then the Distribution Restriction applies to Suncorp unless the Distribution is paid in full within three Business Days of that date (see Section 6.1.7).

Suncorp may be prevented from paying Distributions by the terms of other securities, if a dividend or other distribution has not been paid on those securities (see Section 6.1.6). If such a constraint applies, Suncorp may not be able to pay Distributions without the approval of the holders of those other securities.

Changes in regulations applicable to Suncorp may impose additional requirements which prevent Suncorp from paying a Distribution in additional circumstances.

6.1.6 Distributions on Capital Notes 5 may be restricted by the terms of other similar securities

There is a risk that the terms of Suncorp's other outstanding and future securities could limit the Suncorp Group's ability to make payments on Capital Notes 5. If Suncorp does not make payments on other securities, payments may not be permitted to be made in respect of Capital Notes 5.

The dividend or distribution payment dates on Suncorp's other securities may differ from the Distribution Payment Dates for Capital Notes 5. In addition, the payment tests applying to other securities (whether currently outstanding or issued in the future) may be different to the conditions governing the payment of Distributions for Capital Notes 5. Accordingly, Suncorp may not be permitted to make a payment on another security in circumstances where it would otherwise be permitted to make a payment on Capital Notes 5. In these circumstances, the distribution restrictions on the other securities may then apply, preventing Suncorp from making a payment on Capital Notes 5. Similarly, Suncorp may not be permitted to make a payment on Capital Notes 5 in circumstances where the payment tests on other securities have been passed.

If distribution restrictions for another security apply to payments on Capital Notes 5, Suncorp may not be able to pay Distributions when scheduled to do so under the Terms and may not be able to Redeem Capital Notes 5. Suncorp is not restricted from issuing other securities of this kind or agreeing in the terms of issue of other securities to additional or different payment tests or distribution restrictions (see Section 2.1).

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6.1.7 A Distribution Restriction applies but only in limited circumstances

If Suncorp does not pay a Distribution in full on a Distribution Payment Date then, unless the Distribution is paid in full within three Business Days of that date, and subject to certain exceptions set out in Clause 3.8 of the Terms, Suncorp must not declare, determine to pay or pay a dividend on any Ordinary Shares, or buy back or reduce capital on any Ordinary Shares, without the approval of a Special Resolution. This restriction applies only to payments on, or buy-backs or capital reductions in respect of, Ordinary Shares and not to payments on, or buy-backs or capital reductions in respect of, securities ranking equally with Capital Notes 5 (such as Capital Notes 2,Capital Notes 3 and Capital Notes 4) or any other class of security (if on issue). These restrictions will apply only until and including the next Distribution Payment Date.

The dates for the declaration, determination or payment of dividends on Ordinary Shares of Suncorp, or on which Suncorp may undertake a capital reduction or buy-back, are determined by Suncorp in its discretion and are not related to the Distribution Payment Dates for Capital Notes 5. Accordingly, as soon as the next scheduled Distribution on Capital Notes 5 is paid, the restriction ceases to apply and Suncorp will not be restricted from declaring, determining to pay or paying a dividend or undertaking any buy-back or capital reduction.

6.1.8 Distributions may not be fully franked or franked at all

Suncorp expects Distributions, if paid, to be fully franked. However, there is no guarantee that Suncorp will have sufficient franking credits in the future to fully frank Distributions or to frank them at all. The Franking Rate for a Distribution Period may fluctuate (potentially increasing or decreasing), depending on Suncorp's level of available franking credits and Suncorp's distributable profits. Suncorp's available franking credits may be affected by a wide range of factors, including its business performance, the applicable Australian corporate tax rate, the assessment of relevant tax authorities and the amount of other frankable distributions. Suncorp's distributable profits may also be affected by a wide range of factors including its level of earnings and other distributions it makes.

Distributions will be franked at the same rate as Ordinary Shares. If any Distribution payment is not fully franked, then the cash amount of the Distribution will increase to compensate for the reduction in franking credits. This payment is subject to the conditions governing the payment of Distributions.

The value and availability of franking credits to a Holder will differ depending on that Holder's particular tax circumstances. Holders should be aware that the potential value of any franking credits does not accrue at the same time as the receipt of any cash Distribution and that the ability to use any franking credits, either by offsetting a tax liability or by claiming a refund after the end of the income year, will depend on the individual tax position of each Holder. Each Holder should refer to the taxation summary in Section 8 and obtain professional advice in relation to their tax position.

6.1.9 Changes in Distribution Rate

There is a risk that the rate of return in respect of Capital Notes 5 may become less attractive when compared to rates of return available on comparable securities issued by Suncorp or other entities.

The Distribution Rate is calculated for each Distribution Period by reference to the Bank Bill Rate, which is influenced by a number of factors, varies over time and the methodology used to calculate the Bank Bill Rate may change. The Distribution Rate will fluctuate over time (potentially increasing or decreasing) as a result of movements in the Bank Bill Rate.

The Distribution Rate will be affected (potentially increasing or decreasing) with a change in the Australian corporate tax rate applicable to Suncorp. If the corporate tax rate were to change, the cash amount of Distributions and the amount of any franking credits will change.

If a Rate Disruption Event has occurred, then, subject to APRA's prior written approval, Suncorp 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 (see Section 2.1.3).

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 Distributions contrary to applicable prudential standards.

6.1.10 Capital Notes 5 are perpetual and Mandatory Conversion is subject to certain conditions and may not occur when expected or at all

Capital Notes 5 must be Converted into Ordinary Shares of Suncorp on the Scheduled Mandatory Conversion Date, which will be 17 December 2032, (unless they have been Redeemed or Resold for cash, Converted to Ordinary Shares or Written-Off on an earlier date). However, Conversion (except in case of Conversion on account of a Non-Viability Trigger Event) is subject to satisfaction of the Mandatory Conversion Conditions and may not occur on the Scheduled Mandatory Conversion Date or at all. The Mandatory Conversion Conditions that must be satisfied in relation to any Mandatory Conversion Date are:

- the VWAP on the 25th Business Day immediately preceding the relevant Mandatory Conversion Date is greater than 55.0000% of the Issue Date VWAP;
- the VWAP for the 20 Business Days preceding the relevant Mandatory Conversion Date is greater than 50.5050% of the Issue Date VWAP; and
- no Delisting Event applies.

There is a risk that Conversion will not occur on the Scheduled Mandatory Conversion Date because the Mandatory Conversion Conditions are not satisfied due to a significant reduction in the Ordinary Share price relative to the Issue Date VWAP or a Delisting Event applies. The Ordinary Share price may be affected by transactions impacting the share capital of Suncorp, such as rights issues, placements, returns of capital, certain buy-backs and other corporate actions. The Issue Date VWAP is adjusted only for transactions by way of pro rata bonus issues of Ordinary Shares and a reorganisation of share

capital as described in Clauses 8.5 and 8.6 of the Terms and not for other transactions, including rights issues, placements, returns of capital, buy-backs or special dividends. The Terms do not limit the transactions that Suncorp may undertake with respect to its share capital and any such action may affect whether Conversion will occur and the Conversion Number of Ordinary Shares; this may adversely affect the position of Holders.

If Mandatory Conversion does not occur on the Scheduled Mandatory Conversion Date, Mandatory Conversion will be deferred until the next Distribution Payment Date on which all the Mandatory Conversion Conditions would be satisfied (unless Capital Notes 5 are otherwise Exchanged or Written-Off on or before that date).

Capital Notes 5 are a perpetual instrument. If the Ordinary Share price deteriorates significantly and never recovers, it is possible that the Mandatory Conversion Conditions will never be satisfied and, if this occurs, unless Capital Notes 5 are otherwise Converted, Capital Notes 5 will never Convert.

6.1.11 Exchange and the Exchange Method are at Suncorp's option

There is a risk that Exchange may occur on dates not previously contemplated by Holders or using an Exchange Method which may be disadvantageous in light of market conditions or a Holder's individual circumstances and preferences.

Suncorp may (subject to APRA's prior written approval) elect to Exchange some or all Capital Notes 5 on an Optional Exchange Date or on the occurrence of a Tax Event or a Regulatory Event and may elect to Exchange all (but not some only) Capital Notes 5 after a Potential Acquisition Event. Holders should not assume that APRA's approval will be given, if requested. In addition, Suncorp must (subject to certain conditions) Convert all Capital Notes 5 on the occurrence of an Acquisition Event. Holders have no right to request or require an Exchange.

Any Exchange at Suncorp's option may occur on dates not previously contemplated by Holders or may not occur at all. This may be disadvantageous to Holders in light of market conditions or their individual circumstances and may not coincide with their individual preference in terms of timing. This also means that the period for which Holders will be entitled to the benefit of the rights attaching to Capital Notes 5 (such as Distributions) is unknown.

Subject to certain conditions, Suncorp has discretion to elect which Exchange Method or combination of Exchange Methods will apply to an Exchange and, where a combination of Exchange Methods is selected, to which Capital Notes 5 and Holders the Exchange Method will apply (see Sections 2.3.1, 2.3.3 and 2.3.5). The method chosen by Suncorp may be disadvantageous to Holders and may not coincide with their individual preference in terms of whether they receive Ordinary Shares or cash on the relevant Exchange Date.

For example, if APRA approves an election by Suncorp to Redeem or Resell Capital Notes 5, Holders will receive cash equal to $100 per Capital Note 5 rather than Ordinary Shares and, accordingly, they will not benefit from any subsequent increases in the Ordinary Share price after the Exchange occurs.

In addition, where Holders receive cash on Redemption or Resale, the rate of return at which they could reinvest their funds may be lower than the Distribution Rate at the time.

Where Holders receive Ordinary Shares on Conversion, they will have the same rights as other holders of Ordinary Shares, which are different to the rights attaching to Capital Notes 5.

APRA has 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 Suncorp 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. The matters to which APRA may have regard in considering whether to give its approval are not limited and may change.

6.1.12 Conversion on account of a Non-Viability Trigger Event

There is a risk that a Non-Viability Trigger Event will occur, in which case Suncorp must immediately Convert Capital Notes 5 into Ordinary Shares. If a Non-Viability Trigger Event occurs, a Holder may suffer a significant loss as they may receive a number of Ordinary Shares worth significantly less than $101 per Capital Note 5 and, if for any reason Conversion of Capital Notes 5 has not been effected within five Business Days after the relevant Trigger Event Date, Capital Notes 5 will be Written-Off.

A Non-Viability Trigger Event is determined by APRA and 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.

What is a Non-Viability Trigger Event?

A Non-Viability Trigger Event occurs if APRA has provided a written determination to Suncorp that:

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

APRA has not provided guidance as to how it would determine non-viability. Non-viability could be expected to include serious impairment of Suncorp'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 ADIs, APRA has indicated that it may regard non-viability as occurring well before an ADI is at risk of becoming insolvent. As the occurrence of a Non-Viability Trigger Event is at the discretion of APRA, there can be no assurance given as to the factors and circumstances that might give rise to this event.

Non-viability may be significantly impacted by a number of factors, including factors which affect the business, operation and financial condition of Suncorp. For instance, systemic and non-systemic macro-economic, environmental and operational factors, globally and in Australia and New Zealand, may affect the viability of Suncorp.

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Effect of a Non-Viability Trigger Event

If a Non-Viability Trigger Event occurs, Suncorp must immediately Convert all (or some) Capital Notes 5 on issue (in accordance with APRA's determination) into the Conversion Number of Ordinary Shares.

Where a Non-Viability Trigger Event occurs because APRA determines that without a public sector injection of capital (or equivalent support) Suncorp would become non-viable, all Capital Notes 5 will be Converted.

If APRA makes a determination that only some Capital Notes 5 are required to be Converted, Suncorp must determine which Capital Notes 5 will Convert and in doing so must endeavour to treat Holders and holders of other Relevant Securities on an approximately proportionate basis but may discriminate to take account of the effect on marketable parcels, other logistical considerations and the need to effect conversions immediately. Accordingly, should a Non-Viability Trigger Event occur and some (but not all) Capital Notes 5 must be Converted, not all Holders may have their Capital Notes 5 converted into Ordinary Shares.

Holders should be aware that:

- if APRA does not require all Relevant Securities and Tier 2 Capital instruments to be converted or written-off, Relevant Securities such as Capital Notes 5 will be converted or written-off before any Tier 2 Capital instruments are converted or written-off;
- on the occurrence of a Non-Viability Trigger Event, APRA may determine that Capital Notes 5 must be Converted into Ordinary Shares; however, other equally-ranking Suncorp securities (such as Capital Notes 2,Capital Notes 3 and Capital Notes 4) may not be required to be converted. This may result in the Capital Notes 5 investment effectively ranking lower in Suncorp's capital structure than other previously equally-ranking securities;
- if Capital Notes 5 are Written-Off, all rights in relation to those Capital Notes 5 will be terminated and Holders will lose the entire amount of their investment, without compensation;
- Suncorp currently has no Relevant Securities on issue other than, Capital Notes 2, Capital Notes 3 and Capital Notes 4;
- Suncorp has no obligation to maintain on issue any Relevant Securities and does not, and may never, have on issue Relevant Securities which require them to be converted or written-off before Capital Notes 5; and
- there is no requirement that the rights attaching to Ordinary Shares be cancelled or limited before Relevant Securities are subject to loss absorption.

Conversion on the occurrence of a Non-Viability Trigger Event is not subject to the Mandatory Conversion Conditions being satisfied. The number of Ordinary Shares a Holder will receive on Conversion following a Non-Viability Trigger Event is calculated in accordance with the Conversion Number formula which provides for a calculation based on a discounted five Business Day VWAP but cannot be more than the Maximum Conversion Number.

Accordingly, this may result in a Holder receiving a number of Ordinary Shares worth significantly less than $101 per Capital Note 5 and suffering loss as a result. This is because:

- the number of Ordinary Shares is limited to the Maximum Conversion Number and this number of Ordinary Shares may have a value of less than $101;
- where the number of Ordinary Shares is calculated by reference to the five Business Day VWAP, the VWAP during the five Business Days before the Trigger Event Date may differ from the Ordinary Share price on or after that date. The Ordinary Shares may not be quoted or may not be able to be sold at prices representing their value based on the VWAP. In particular, if Ordinary Shares are suspended from trading during the VWAP Period, VWAPs may be based wholly or partly on trading days which occurred more than five Business Days before the Trigger Event Date. ASX has broad powers to suspend Ordinary Shares from trading, including because Suncorp has not complied with the ASX Listing Rules; and
- as noted in Section 2.4.8, the Maximum Conversion Number may be adjusted to reflect a consolidation, division or reclassification 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 Suncorp 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.

Suncorp may seek a trading halt to prevent further trading in Capital Notes 5 on ASX and, if ASX permits, may refuse to register transfers of Capital Notes 5. This may result in disruption or failures in trading or dealing in Capital Notes 5 and Holders may suffer loss as a result.

Write-Off if Conversion does not occur

If, following a Non-Viability Trigger Event, Conversion of Capital Notes 5 has not been effected within five Business Days after the relevant Trigger Event Date for any reason, regardless of whether such reason is within our outside the control of Suncorp, (including because Suncorp 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 Suncorp) (Inability Event)), those Capital Notes 5 will not be Converted but will instead be Written-Off, in which case all rights in relation to those Capital Notes 5 will be terminated and Holders will not get back their capital. This means that, for example, unlike Shareholders, if Capital Notes 5 are Written-Off, Holders will have no right to participate in a surplus of assets on a Winding-up of Suncorp. Holders will suffer loss as a result and are likely to be worse off than holders of Ordinary Shares.

The laws under which an Inability Event may arise include laws relating to the insolvency, Winding-up or other external administration of Suncorp. Those laws, and the grounds on which a court or government authority may make orders preventing the Conversion of Capital Notes 5, may change and may be adverse to the interests of Holders and the change may increase the risk of Capital Notes 5 being Written-Off. The circumstances in which Conversion might not occur cannot be exhaustively defined.

6.1.13 Conversion as a result of an Acquisition Event

There is a risk that Capital Notes 5 may be affected by merger and acquisition activity affecting Suncorp. Capital Notes 5 are issued by Suncorp, which, as an ASX-listed company, may be acquired by or merged with another company or group of companies, potentially resulting in a change of control. The outcome for Holders of such activity may be uncertain; they may suffer loss or face increased risks in holding Capital Notes 5.

Where this corporate activity constitutes an Acquisition Event, Suncorp is required, subject to satisfaction of certain conditions, to Convert all Capital Notes 5 in accordance with Clause 7 of the Terms.

Where this corporate activity constitutes a Potential Acquisition Event, Suncorp may (but is not required to) elect, subject to satisfaction of certain conditions, to Convert all Capital Notes 5 in accordance with Clause 6 of the Terms. Conversion may occur on dates not previously contemplated by Holders, which may be disadvantageous in light of market conditions or their individual circumstances and may not coincide with their individual preference in terms of timing. This also means that the period for which Holders will be entitled to the benefit of the rights attaching to Capital Notes 5 (such as Distributions) is unknown. Where Holders receive Ordinary Shares on Conversion, they will have the same rights as other holders of Ordinary Shares, which are different to the rights attaching to Capital Notes 5.

There is a risk that Conversion may not occur on the Acquisition Conversion Date (or at all) because one of the restrictions on when Conversion is required or restrictions on completing a Conversion in connection with an Acquisition Event apply. This may be due, for example, to a large fall in the Ordinary Share price relative to the Issue Date VWAP or where a Delisting Event applies.

The Ordinary Share price may be affected by many factors, including transactions affecting the share capital of Suncorp.

If Conversion does not occur on the Acquisition Conversion Date, then Conversion will occur on the following Distribution Payment Date for which the restrictions do not apply, unless Capital Notes 5 are otherwise Exchanged or Written-Off on or before that date. If Conversion does not occur on a possible Acquisition Conversion Date and Capital Notes 5 are not otherwise Exchanged or Written-Off, Distributions may continue to be paid on Capital Notes 5, subject to Suncorp's discretion and to no Payment Condition existing in connection with the relevant Distribution Payment Date.

Capital Notes 5 are a perpetual instrument. If the Ordinary Share price deteriorates significantly and never recovers or a Delisting Event continues to subsist, it is possible that the restrictions on Conversion will continue to apply and, if this occurs, unless Capital Notes 5 are otherwise Exchanged, Capital Notes 5 will never Convert.

Not all corporate activities that have the effect of a change of control of Suncorp or its business operations will be an Acquisition Event. In particular, it would not be an Acquisition Event if APRA were to require the compulsory transfer of the Suncorp Group's insurance or banking business. Where the corporate activity is not an Acquisition Event, Suncorp is not obliged to Convert Capital Notes 5. Therefore, the outcomes for Holders arising from that corporate activity will be uncertain and Holders may suffer loss or face increased or different risks in holding Capital Notes 5.

6.1.14 Exchange at Suncorp's option is subject to certain conditions

There is a risk that Suncorp will not Exchange Capital Notes 5. Exchange is at Suncorp's option and Holders have no right to require it.

If Suncorp elects to Exchange Capital Notes 5 by way of Conversion, Redemption or Resale, APRA's prior written approval is required. Holders should not assume that APRA will give its approval to any Exchange.

If Suncorp wishes to Exchange Capital Notes 5 by Converting them, there are two types of restrictions which apply:

- **Restrictions on electing Conversion**—Suncorp may not elect to Convert Capital Notes 5 as the Exchange Method if, on the second Business Day before the date on which an Exchange Notice is to be sent:
  - the VWAP is less than or equal to 22.0000% of the Issue Date VWAP; or
  - a Delisting Event applies.

If any of the above conditions apply, Suncorp is not permitted to choose Conversion as the Exchange Method.

- **Restrictions on completing the Conversion**— if Suncorp has given notice that it has elected to Convert Capital Notes 5, Suncorp may not proceed to Convert Capital Notes 5 if, on the Exchange Date specified in the notice:
  - the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) that date is less than or equal to 20.2020% of the Issue Date VWAP; or
  - a Delisting Event applies.

If the requirements for Conversion on the Exchange Date are not satisfied, Suncorp will notify Holders and the Conversion will be deferred until the next Distribution Payment Date on which the requirements for Conversion would be satisfied if that Distribution Payment Date were a possible Mandatory Conversion Date.

The choice of Redemption as the Exchange method is subject to the condition that:

- the Capital Notes 5 which are the subject of the Exchange are replaced concurrently or beforehand with Tier 1 Capital of the same or better quality and the replacement of the Capital Notes 5 is done under conditions that are sustainable for Suncorp's income capacity; or
- APRA is satisfied that, having regard to the capital position of the Suncorp Group, Suncorp does not have to replace the Capital Notes 5 the subject of the Redemption.

Suncorp may not select Redemption or Resale as the Exchange Method in relation to a Potential Acquisition Event.

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6.1.15 Conversion into Ordinary Shares

There is a risk that Capital Notes 5 will Convert into Ordinary Shares, which may be disadvantageous in light of market conditions or not suit individual Holder's circumstances and preferences. The only conditions to Conversion are, in the case of Mandatory Conversion, the Mandatory Conversion Conditions and, in the case of an Exchange at Suncorp's option or following an Acquisition Event, the conditions expressly applicable to such Conversion under Clauses 4, 6 and 7 of the Terms. No other conditions will affect the Conversion, except as expressly provided by the Terms.

Although one condition to Conversion is that a Delisting Event does not apply (other than in connection with a Conversion on account of a Non-Viability Trigger Event, which is not subject to conditions), other events and conditions may affect the ability of Holders to trade or dispose of the Ordinary Shares issued on Conversion including, for example, the willingness or ability of ASX to accept the Ordinary Shares issued on Conversion for quotation or any practical issues which affect that quotation, whether ASX has suspended trading in Ordinary Shares, any disruption to the market for the Ordinary Shares or to capital markets generally, the availability of purchasers for Ordinary Shares and any costs or practicalities associated with trading or disposing of Ordinary Shares at that time. Additionally, as outlined in Section 6.1.12, Conversion following a Non-Viability Trigger Event is not subject to any conditions.

6.1.16 Capital Notes 5 are perpetual, unsecured and subordinated obligations

Capital Notes 5 are unsecured and subordinated obligations issued by Suncorp. They are perpetual instruments, meaning they have no maturity date, so Holders may never be repaid the principal they have invested and Capital Notes 5 may never be Converted to Ordinary Shares.

Capital Notes 5 are claims on Suncorp, a NOHC of the companies in the Suncorp Group. The majority of Suncorp's assets consist of investments in companies which are other members of the Suncorp Group. Suncorp'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 Capital Notes 5.

There is a risk that, if Suncorp is wound-up, a Holder may not receive a return of their investment. Capital Notes 5 are issued by Suncorp under the Terms. A Holder has no claim on Suncorp in respect of Capital Notes 5, except as provided in the Terms, and has no claim on any other member of the Suncorp Group.

In a Winding-up of Suncorp, if Capital Notes 5 have not been Converted or Written-Off on account of a Non-Viability Trigger Event, Capital Notes 5 are subordinated and Holders rank behind senior creditors for payment of the Redemption Price. Capital Notes 5 will rank equally with, and shall be paid in proportion to, the claims of holders of other instruments issued as Equal Ranking Instruments. Capital Notes 5 will rank ahead only of Ordinary Shares of Suncorp. Holders will lose their investment in Capital Notes 5 if there are insufficient assets to satisfy senior creditors in a Winding-up of Suncorp. Distributions, being at Suncorp's absolute discretion, are not payable and no claim may be brought in respect of any unpaid Distributions.

If, following a Non-Viability Trigger Event, Capital Notes 5 are Converted into Ordinary Shares, Holders will have claims as Shareholders and rank lowest of all claimants in a Winding-up of Suncorp. If Conversion does not occur for any reason within five Business Days of APRA's Non-Viability Determination, Capital Notes 5 will be Written-Off (even though Ordinary Shares are still on issue). If Capital Notes 5 are Written-Off, all rights in relation to those Capital Notes 5 will be terminated and Holders will lose the entire amount of their investment, without compensation. As a result, a Holder whose Capital Notes 5 is Written-Off is likely to be worse off than a holder of Ordinary Shares,

Although Capital Notes 5 may pay a higher rate of distribution 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 Capital Notes 5 should Suncorp become insolvent.

6.1.17 Future issues or redemptions of securities by Suncorp

There is a risk that Suncorp may issue other securities that may affect the return that a Holder receives on their investment. Capital Notes 5 do not in any way restrict Suncorp from issuing further securities or from incurring further indebtedness. Suncorp's obligations under Capital Notes 5 rank subordinate and junior in a Winding-up to Suncorp's obligations to holders of senior ranking securities and instruments and all Senior Ranking Creditors, including subordinated creditors (other than creditors whose claims are subordinated to rank equally with or behind Capital Notes 5). Accordingly, Suncorp's obligations under Capital Notes 5 will not be satisfied unless it can fully satisfy all of its obligations ranking senior to Capital Notes 5.

The Terms do not restrict Suncorp from issuing securities of any kind. Suncorp may in the future issue securities that:

- rank for dividends, distributions or return of capital (including on the Winding-up of Suncorp) equally with, behind or ahead of Capital Notes 5;
- have the same or different dividend, interest or distribution rates as those for Capital Notes 5;
- have payment tests and distribution restrictions or other covenants which affect Capital Notes 5 (including by restricting circumstances in which Distributions can be paid or Capital Notes 5 can be Redeemed); or
- have the same or different terms and conditions as Capital Notes 5.

Suncorp may incur further indebtedness and may issue further securities including Tier 1 Capital securities before, during or after the issue of Capital Notes 5.

An investment in Capital Notes 5 carries no right to participate in any future issue of securities (whether equity,

Tier 1 Capital, subordinated or senior debt or otherwise) by Suncorp.

No prediction can be made as to the effect, if any, which the future issue of securities by Suncorp may have on the market price or liquidity of Capital Notes 5, on Suncorp's financial position or performance or on the likelihood of Suncorp making payments on Capital Notes 5.

Similarly, Capital Notes 5 do not restrict Suncorp from redeeming or otherwise repaying its other securities it may have on issue from time to time, including other securities which rank equally with or junior to Capital Notes 5 (other than to the extent the Distribution Restriction applies).

An investment in Capital Notes 5 carries no right to be redeemed or otherwise repaid at the same time as Suncorp redeems or otherwise repays other securities (whether equity, Tier 1 Capital, subordinated or senior debt or otherwise).

No prediction can be made as to the effect, if any, which the future redemption or repayment by Suncorp of existing securities may have on the market price or liquidity of Capital Notes 5 or on Suncorp's financial position or performance.

6.1.18 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 Capital Notes 5 could decline in value even if Capital Notes 5 have not been Converted. Accordingly, when you evaluate whether to invest in Capital Notes 5, you should carefully evaluate the investment risks associated with an investment in Suncorp (see Section 6.2).

6.1.19 Changes to credit ratings

Suncorp'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 its securities). Credit rating agencies may withdraw, revise or suspend credit ratings or change the methodology by which securities are rated. Even though Capital Notes 5 will not be rated, such changes could adversely affect the market price, liquidity and performance of Capital Notes 5 or Ordinary Shares received on Conversion. A rating of Suncorp or any member of the Suncorp Group is not a rating of Capital Notes 5.

6.1.20 Regulatory classification and prudential supervision

Capital Notes 5 are eligible for inclusion as Eligible Additional Tier 1 Capital (as defined in Suncorp's NOHC authority) which qualifies as regulatory capital of the Suncorp Group for APRA purposes. As a result of Capital Notes 5 being eligible as regulatory capital, the Terms contain features which may have adverse consequences for Holders. For example, Suncorp is required to Convert Capital Notes 5 on the occurrence of a Non-Viability Trigger Event, the ability of Suncorp to pay Distributions is subject to APRA not objecting to the payment and the Exchange of Capital Notes 5 at Suncorp's option is subject to APRA approval.

APRA has advised that Capital Notes 5 are eligible for inclusion as Eligible Additional Tier 1 Capital (as defined in Suncorp's NOHC authority). If APRA subsequently determines that some or all Capital Notes 5 do not qualify as Eligible Additional Tier 1 Capital, Suncorp may decide that a Regulatory Event has occurred. For example, a Regulatory Event could include Capital Notes 5 ceasing to be Eligible Additional Tier 1 Capital due to the implementation by APRA of capital-related prudential standards applicable to conglomerate groups. APRA has advised that the implementation of the capital related prudential standards previously proposed has been deferred. Following a Regulatory Event, Suncorp may elect, at its option, to Exchange all or some Capital Notes 5 on issue (subject to APRA's prior written approval and Holders should not assume that APRA's approval will be given, if requested). A Regulatory Event will not have occurred if the change in regulatory treatment was expected by Suncorp at the Issue Date or if the reason Suncorp or the Suncorp Group is not entitled to treat some or all Capital Notes 5 as Eligible Additional Tier 1 Capital 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 Suncorp may come into effect.

Any such Exchange, at Suncorp's option, may occur on dates not previously contemplated by Holders, which may be disadvantageous in light of market conditions or their individual circumstances and may not coincide with their individual preference in terms of timing. This also means that the period for which Holders will be entitled to the benefit of the rights attaching to Capital Notes 5 (such as Distributions) is unknown.

The Exchange Method chosen by Suncorp may be disadvantageous to Holders and may not coincide with their individual preference in terms of whether they receive Ordinary Shares or cash on the relevant date.

There is a risk that the outcome of the consultation foreshadowed in the APRA Discussion Paper might result in APRA determining that Capital Notes 5 should not be included in Eligible Additional Tier 1 Capital, either immediately, or as APRA has suggested in the APRA Discussion Paper, after some transitional period. Such an outcome could result in Suncorp deciding that a Regulatory Event has occurred. Such an outcome may also affect the market price and liquidity of Capital Notes 5.

For more information on the investment risks arising from Suncorp being subject to prudential supervision, see Section 6.2.4.

6.1.21 Australian tax consequences

A general outline of the tax consequences of investing in Capital Notes 5 for certain potential investors is set out in the Australian taxation summary in Section 8. This discussion is in general terms and is not intended to provide specific advice addressing the circumstances of any particular potential investor.

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

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If, as a result of a change in Australian tax law or any judicial decision, administrative pronouncement, ruling or written challenge affecting taxation, there is more than insubstantial risk that there would be a more than insignificant increase in Suncorp's costs in relation to Capital Notes 5 being on issue or that any Distribution would not be frankable, a Tax Event may occur. Suncorp may then elect, at its option, to Exchange all or some Capital Notes 5 (subject to APRA's prior written approval). A Tax Event will not have occurred if the change in tax treatment was expected by Suncorp at the Issue Date.

If the Tax Rate were to change, the cash amount of Distributions and the amount of any franking credits will change.

6.1.22 Accounting standards

New accounting standards or amendments to existing accounting standards issued by either the International Accounting Standards Board or Australian Accounting Standards Board may affect the reported earnings and financial position of Suncorp in future financial periods. This may adversely affect the ability of Suncorp to pay Distributions.

6.1.23 Shareholding limits

There is a risk that a Holder may, by acquiring any Capital Notes 5 (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 Suncorp, 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 Suncorp) 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.

Holders should take care to ensure that, by acquiring any Capital Notes 5 (taking into account any Ordinary Shares into which they may Convert), Holders do not breach any applicable restrictions on ownership and Holders should seek professional guidance from their solicitor, accountant or other independent qualified professional adviser in relation to their obligations.

6.1.24 Amendment of the Terms and Trust Deed

There is a risk that either or both the Terms and the Trust Deed may be amended in a way that the Holder does not agree with.

Suncorp may, with the approval of the Trustee and, where required, with APRA's prior written approval, make certain amendments to the Terms or Trust Deed without the approval of Holders.

- These may include amendments which may affect the rights of Holders, including:
  - amendments of a formal, technical or minor nature, or made to cure any ambiguity or correct any manifest error;
  - changes to dates or time periods necessary or desirable to facilitate a Mandatory Conversion, Non-Viability Conversion or Exchange without such amendment resulting in material prejudice to the interests of Holders as a whole;
  - changes that enable Capital Notes 5 to be quoted on ASX or sold or to comply with applicable laws or listing rules;
  - amendments made to align the Terms with any subsequently issued Eligible Additional Tier 1 Capital instrument and is necessary or desirable to enable Suncorp to continue to treat such Capital Notes as Eligible Additional Tier 1 Capital;
  - amendments made in accordance with Suncorp's adjustment rights in relation to VWAP and Issue Date VWAP in Clause 8 of the Terms; and
  - any other change that, in Suncorp's reasonable opinion, will not be materially prejudicial to the interests of Holders as a whole.

Suncorp may, with the approval of the Trustee and, where required, with APRA's prior written approval, amend the Terms or Trust Deed if the amendment has been approved by a Special Resolution. Amendments under these powers are binding on all Holders even if a Holder does not agree with or did not attend or vote at any meeting in relation to the amendment.

APRA's prior written approval to amend the Terms is required only where the amendment may affect the eligibility of Capital Notes 5 as Eligible Additional Tier 1 Capital.

6.1.25 No rights to vote

There is a risk that Holders may be affected by corporate decisions made by Suncorp. Holders have no voting or other rights in relation to Ordinary Shares until Ordinary Shares are issued to them. In addition, Capital Notes 5 do not confer on Holders any right to subscribe for new securities in Suncorp 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.

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

APRA's powers with respect to Suncorp include the ability for APRA to direct Suncorp not to pay Distributions.

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 Suncorp.

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 occur) 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 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;
- 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 policyholders 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 Suncorp in the future, these broad powers may be exercised in a way which adversely affects the rights attaching to Capital Notes 5 and the position of Holders.

APRA may, in certain circumstances, require Suncorp 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 Suncorp is party and therefore may have an adverse effect on Suncorp's ability to comply with its obligations under Capital Notes 5 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.

These powers of APRA may be exercised in a way which adversely affects the ability of the Suncorp Group to comply with its obligations in respect of the Capital Notes 5 (including in connection with the Exchange of Capital Notes 5), and this may adversely affect the position of Capital Notes 5 Holders.

The Insurance Act does not impose on APRA a requirement to ensure that, in the exercise of its powers, holders of regulatory capital securities (such as Capital Notes 5) are no worse off than they would be in an insolvency.

6.1.27 FATCA Withholding

It is possible that, in order to comply with FATCA, Suncorp (or, if Capital Notes 5 are held through another non-U.S. financial institution, such other financial institution) may be required (pursuant to an agreement with the U.S. Internal Revenue Service (**IRS**) or under an applicable law, including a non-U.S. law implementing an intergovernmental approach to FATCA) to request certain information from Holders or beneficial owners of Capital Notes 5, which information may be provided to the IRS and to withhold, at the rate of 30%, on all or a portion of payments made with respect to Capital Notes 5 if (i) such information is not provided; or (ii) if payments are made to certain foreign financial institutions that have not entered into a similar agreement with the IRS or are otherwise exempt from FATCA Withholding.

Such FATCA Withholding is not expected to apply if Capital Notes 5 are treated as debt for U.S. federal income tax purposes unless Capital Notes 5 are issued or 'materially 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.

In addition, such 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, or Capital Notes 5 are treated as equity for U.S. federal income tax purposes or do not have a fixed term, whenever issued.

Reporting Australian Financial Institutions (**RAFIs**) under the Australia–U.S. FATCA Intergovernmental Agreement dated 28 April 2014 (**Australian IGA**) must comply with specific due diligence procedures. In general, these procedures seek to identify account holders and provide the Australian Taxation Office (**ATO**) with information on financial accounts (which may include the Capital Notes 5) held by U.S. Persons (as defined in Regulation S of the U.S. Securities Act) 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 Suncorp and to any other financial institutions through which payments on the Capital Notes 5 are made. A RAFI that complies with its obligations under the Australian 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.

If Suncorp is required to withhold amounts under or in connection with FATCA from any payments made in respect of Capital Notes 5, or from the issue of Ordinary Shares on Conversion of Capital Notes 5, Holders and beneficial owners of Capital Notes 5 will not be entitled to receive any gross up or additional amounts to compensate them for such withholding, and any issue of Ordinary Shares on Conversion of Capital Notes 5 will be made net of FATCA Withholding.

This description is based in part on guidance issued to date by the IRS. Future guidance may affect the application of FATCA to Capital Notes 5.

FATCA is particularly complex legislation. Holders should obtain their own advice about how the requirements of FATCA and the Australian IGA may apply to them under Capital Notes 5.

6.1.28 Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information in Tax Matters (**CRS**) may require financial institutions involved in the Capital Notes 5 payment processes, such as custodians or nominees, to report information regarding Capital Notes 5 to their local tax authority and follow related due diligence procedures. Capital Notes 5 Holders may be requested to provide certain information and certifications to ensure compliance with the CRS. The Australian Government has enacted legislation amending, among other things, the *Taxation Administration Act 1953* (Cth) to give effect to the CRS. The CRS applies to Australian financial institutions with effect from 1 July 2017.

6.1.29 Design and distribution obligations

The DDO Regime applies to the Offer. The DDO Regime imposes additional obligations on Suncorp regarding the design and distribution of certain financial products offered to Retail Investors (including Capital Notes 5), and the related PIP Regime grants product intervention powers to ASIC if it believes significant consumer detriment may occur. The DDO Regime is supplemented by the Corporations Amendment (Design and Distribution Obligations) Regulations 2019 (Cth).

The design and distribution obligations in the DDO Regime do not apply to secondary market trading of Capital Notes 5. The PIP Regime gives ASIC a significant, proactive power to issue a product intervention order if it believes that a financial product has resulted in or will, or is likely to, result in significant detriment to Retail Investors. It is uncertain whether ASIC would perceive there to be any significant consumer detriment in relation to Capital Notes 5 or similar securities. The PIP Regime requires ASIC to undertake a consultation process before it makes a product intervention order. As noted at section 6.1.3, the impact the DDO Regime and the PIP Regime remain uncertain, however there is a risk that they may adversely impact the issue, distribution and reinvestment of financial products in the future, including instruments like Capital Notes 5. These changes may also affect the liquidity of funding instruments (including instruments like Capital Notes 5), if they lead to a material reduction in future issuance volumes or secondary trading activity by investors.

6.2 Risks associated with Suncorp and the Suncorp Group

Set out below are business risks associated with the Issuer and the Suncorp Group. These are relevant to an investment in Capital Notes 5, as the value of your investment will depend on the financial performance and position of the Issuer and the Suncorp Group. The Suncorp Group has mechanisms in place whereby the Suncorp Group can seek to avoid or reduce some of these risks but the risks (and their impact) may change, or new risks may emerge, over the lifetime of Capital Notes 5 that are not adequately mitigated by the Suncorp Group. 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.

6.2.1 Strategic risks

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

Strategic Execution Risk

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 initiatives could adversely affect the Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition, and prospects.

Customer value risk

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

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, including aggregators, comparison websites, brokers and underwriting agencies.

If the Suncorp Group is unable to compete effectively in its various businesses and markets, its market share may decline. Increased competition may also impact Suncorp Group's market share 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 impacted by the transition towards 'net zero'. 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.

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There is increased competition from both traditional and non-traditional financial services companies who could have a technological advantage or increased pricing power when offering financial services products. 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.

Technology, data services and solutions

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. Any deficiencies in data quality, gathering, analysis and validation processes, or a failure to appropriately manage and maintain data, systems and technology could result in ineffective risk management practices and could adversely impact Suncorp Group's financial position and performance.

People risk

The Suncorp Group's success, including its ability to deliver on its strategy, is dependent on the attraction, performance and retention of quality, skilled and capable employees. The evolving external landscape, 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 Suncorp 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.

Suncorp Group's reputation risk

Suncorp Group's ability to attract and retain employees, customers and investors 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, trade sanctions legislation or privacy laws), failure in our claims handling service, failing to deliver pricing promises, potential conflicts of interest, ethical issues, litigation (including class action proceedings), failing to comply with information security policies, improper sales and trading practices, or personnel and supplier policies, improper conduct of companies in which it holds strategic investments, technology failures, security breaches and risk management failures. Suncorp Group's reputation could be adversely affected by the actions of the financial services industry 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 Suncorp Group to regulatory enforcement actions, fines and penalties and could lead to loss of business, which could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

Strategic mergers, acquisitions and divestments risk

The Suncorp Group regularly reviews its portfolio of businesses 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 or products or both and certain businesses, and/or offering third party manufactured products or expanding or contracting 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.

Suncorp Group may 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 account, data processing and other technology systems, and management controls, as well as managing relevant relationships with employees, customers, regulators, counterparties, suppliers and other business partners. Separation (or integration) efforts diverts management attention and resources and may create legal liability. 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. For a discussion of the consequences of an Acquisition Event under the Terms, see Section 2.5. 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 below for further risks specific to divestments.

Risks specific to divestments

In addition to the risks described in 'Strategic mergers, acquisitions and divestments risks' above, there are specific risks in relation to businesses that have been, or that are proposed to be, divested by the Issuer.

Proposed sale of Suncorp Bank

As referenced in Section 4.3, Suncorp announced the sale of Suncorp Bank to ANZ on 18 July 2022. Subject to all regulatory and government approvals being received, completion of the sale is expected in the middle of the 2024 calendar year. The Proposed Bank Sale may not proceed at all because of the failure to obtain (either by a required time or at all) the regulatory approvals referenced in Section 4.3, or may be delayed. If it proceeds, the Proposed Bank Sale 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 Proposed Bank Sale, 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 Proposed Bank Sale remain uncertain.

Other divestments

As referenced in Section 4.3, Suncorp announced the sale of New Zealand Life to Resolution Life NOHC Pty Ltd on 4 April 2024. Subject to all regulatory approvals being received and notifications being completed, completion of the sale is expected to occur within 9 months from 4 April 2024. The proposed New Zealand Life sale may not proceed at all because of the failure to obtain (either by a required time or at all) the regulatory approvals referenced in Section 4.3, or it may be delayed.

If it proceeds, the proposed New Zealand Life sale and associated separation activities may cause disruptions to operations, diversion of management resources and may take longer or cost more than expected.

As part of the sale of New Zealand Life, the Suncorp Group provided warranties and tax indemnity to Resolution Life NOHC Pty Ltd. Any potential outflows relating to these warranties and tax indemnity remain uncertain. Further, part of the consideration for the sale is deferred to a date that is 18 months after completion.

As part of the sale of Suncorp Life & Superannuation Limited (**SLSL**) during the financial year ended 30 June 2019, the Suncorp Group provided warranties, indemnities and remediation undertakings 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 warranties and indemnities which were granted and which are still in force remain uncertain.

As part of the sale of Capital S.M.A.R.T Repairs Australia Pty Ltd and ACM Parts Pty Ltd during the financial year ended 30 June 2020, the Suncorp Group provided warranties in the respective Share Sale and Purchase Agreements entered into with AMA Group Limited. Any potential outflows relating to the warranties which were granted, and which are still in force remain uncertain.

As part of the sale of Resilium Pty Ltd during the financial year ended 30 June 2019, the Suncorp Group provided certain tax warranties in the Sale and Purchase Agreement entered into with the Resilium management team. Any potential outflows relating to the tax warranties remain uncertain.

As part of the sale of Suncorp Portfolio Services Limited to LGIAsuper during the financial year ended 30 June 2022, 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 these warranties, indemnities and remediation obligations remain uncertain.

As part of the sale of Suncorp's 50% stake in RACT Insurance to Royal Automobile Club of Tasmania during the financial year ended 30 June 2022, the Suncorp 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 warranties and indemnity remain uncertain.

AA Finance, a 50:50 joint venture between Suncorp and the New Zealand Automobile Association, sold its motor vehicle loan book to UDC Finance in October 2023. As part of the sale, AA Finance provided certain warranties in relation to the loan book in the Sale and Purchase Agreement with both Suncorp and the New Zealand Automobile Association acting as a guarantor. Any potential outflow in relation to the warranties remain uncertain.

6.2.2 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes and systems, the actions or inaction of our people, or from external drivers and events.

As a financial services organisation, the Suncorp Group is exposed to a variety of operational risks, such as (but not limited to) exposure to anti money laundering and counter-terrorism financing, facilities and workforce disruption, technology disruption including cyber risk, failure to meet

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commitments to customers or employees, processing or reporting failures, model risk, product flaws, workplace safety, climate change liability risk, employee wellbeing, internal and external fraud and other dishonest activities.

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.

Facilities and workforce disruption

The Suncorp Group's financial position may be adversely impacted if Suncorp or 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 COVID-19 pandemic and the associated prevention measures had a profound impact on the Australian, New Zealand and global economies and the ability of individuals, businesses, and governments to operate. 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 pandemics and associated prevention measures, which could cause significant direct disruption to the Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

Technology disruption including 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 increasingly reliant upon digital channels and the underlying key systems, which are supported by a combination of in-house expertise and outsourced partners. There is a risk that these key systems and technology infrastructure, 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 including organised cybercrime groups using sophisticated tools 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.

Customer care, violations and disputes 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.

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, litigation cost and regulatory enforcement action.

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.

The Suncorp Group is currently undertaking a number of programs of work in both Australia and New Zealand to resolve prior issues that have 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 outcomes and total costs associated with these reviews and possible exposures remains uncertain.

The Australian Financial Complaints Authority (**AFCA**) has the power to award compensation within financial limits prescribed by its rules on complaints raised by customers and investigate matters they consider may be 'systemic'. The Suncorp Group is working through individual cases that have been referred to AFCA as well as any systemic matters opened by AFCA. See also note 34.2 of the financial statements contained within the FY23 Issuer Annual Report.

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 remains heightened regulatory focus on remediation related issues. In May 2023, the FMA filed proceedings against AA Insurance Limited in relation to its multi-policy discount, NZAA member discount and no claims bonus customer remediation activities and FMA is seeking a pecuniary penalty. Discussions with the FMA are ongoing and the scope and quantum of any penalty that may become payable remains undetermined.

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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 underlying models could result in material financial impacts emanating from errors in reserving, pricing, capital or reinsurance.

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.

The significant judgements made by management in applying the Suncorp Group accounting policies and the key sources of estimation uncertainty are disclosed in the consolidated financial report within the Suncorp Group's Annual Report for the financial year ended 30 June 2023 and the consolidated interim financial report for the half-year ended 31 December 2023. If the judgements, estimates and assumptions used by the Suncorp Group in preparing the financial statements are subsequently found to be incorrect, there could be a significant loss to the Suncorp Group beyond that which is anticipated or provisioned for, which may otherwise adversely impact the Suncorp Group's reputation, financial performance and financial position.

Structural subordination

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).

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 Suncorp Group 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.

6.2.3 Environmental social and governance risk (ESG)

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 Group'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 and is exposed to current and emerging ESG risks associated with new regulations and community expectations. The Suncorp Group regularly undertakes materiality assessments to identify material ESG issues. Materiality assessment outcomes inform the Suncorp Group's advocacy strategy and sustainability program of work, business planning processes, risk management practices and external reporting.

Suncorp has included its Climate-Related Disclosures within the FY23 Issuer Annual Report documents. See also 'Catastrophes' under Section 6.2.6.

6.2.4 Legal, regulatory and compliance risk

New regulatory, taxation or other legislative proposals introduced by the Governments of Australia or New Zealand may impact the underlying performance of the Suncorp Group.

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 is complex and costly, can adversely affect investor confidence and can consume the time and effort of the Suncorp Group's staff (including senior management). The outcome of regulatory reviews and other regulatory action is uncertain.

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Regulatory and internal reviews

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.

In Australia and New Zealand, the relevant national regulatory authorities include APRA, RBA, ASIC, ASX, ASO, ACCC, AUSTRAC, RBNZ, FMA, FWO, OAIC, ACMA, ATO, AFCA and the New Zealand Commerce Commission.

In recent periods, a number of regulators in Australia and New Zealand including ASIC, APRA, ACCC, AUSTRAC, the ATO, and the RBNZ and FMA in New Zealand conducted reviews and made enquiries with the Suncorp Group. There were a number of non-compliance instances identified and disclosed by the Suncorp Group to ASIC, APRA, AUSTRAC, ASO, the OAIC, 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, litigation and reputational damage.

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.

If 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 Capital Notes 5. Investigations, inquiries, penalties and fines sought by regulatory authorities have increased substantially over the last several years, and regulators have become increasingly assertive in commencing enforcement actions. 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.

APRA Discussion Paper: Improving the effectiveness of Additional Tier 1 capital instruments.

In September 2023, APRA released a discussion paper entitled "Discussion Paper – Enhancing bank resilience: Additional Tier 1 Capital in Australia" (**APRA Discussion Paper**). In the APRA Discussion Paper APRA states that it is exploring the effectiveness of Additional Tier 1 Capital in Australia. This may involve industry consultation. Potential options raised by APRA include:

- improving the key design features of Additional Tier 1 Capital so it more effectively absorbs losses;
- changing the required level or mix of regulatory capital requirements to reduce reliance on Additional Tier 1; and
- changes to diversify the investor base for Additional Tier 1 Capital instruments away from domestic retail investors.

APRA has sought feedback from stakeholders on the questions outlined in the APRA Discussion Paper. APRA intends to undertake a formal consultation on proposals contained within the APRA Discussion Paper in 2024 on any proposed amendments to relevant prudential standards.

APRA has stated that while the APRA Discussion Paper focuses on Additional Tier 1 Capital for banks, it expects that proposed revisions would also be made, where relevant, to the corresponding prudential standards for insurers.

APRA has also indicated that it expects that in implementing any options, there would be a transition time to enable issuers to adjust to new requirements and that this would include, for example, transition time if needed for existing Additional Tier 1 instruments to be replaced to ensure an orderly adjustment.

Until any proposed regulatory or prudential changes (if any) are known, it is not possible to state what their impact (if any) might be on Capital Notes 5.

There is a risk that the outcome could include measures that limit the issue or distribution of Additional Tier 1 capital instruments by insurers or banks in the future, including their ability to be traded on a listed market and that might affect the liquidity and market price of such instruments, including Capital Notes 5.

See also Section 6.1.20 which outlines other potential risks associated with regulatory classification and prudential supervision including the potential impacts which may results from changes in the eligibility requirements for Additional Tier 1 Capital.

Compensation Scheme of Last Resort

On 22 June 2023, legislation was passed to establish the Compensation Scheme of Last Resort (**CSLR**) in Australia. The scheme provides compensation to victims of financial misconduct who have won their cases through AFCA but have not been paid due to the insolvency of the involved financial institution. The Federal Government has said it intends the CSLR operator to commence operations in April 2024. While the scheme is not related to Group matters, initial financial remediations under this scheme are to be financed via a one-off levy, applicable to the top ten largest, APRA regulated banking and insurance groups in financial year 2021-22 (excluding private health insurers and trustees of superannuation entities). The Suncorp Group has made a provision for its share of the one-off levy, however the actual levy imposed could vary from this amount.

Annual and special levies are also contemplated under the CSLR legislation, which may not be applicable to the Suncorp Group given the scope and enforcement date for these industry funded levies.

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Financial Accountability Regime

On 15 September 2023, legislation establishing the Financial Accountability Regime (**FAR**) commenced. FAR became effective for ADIs from 15 March 2024. It will become effective for other regulated entities from 15 March 2025. APRA and ASIC are preparing for the transition from the Banking Executive Accountability Regime (**BEAR**) to FAR within the banking industry, as well as its future application to the insurance industry. Subordinate legislation including Minister Rules, Regulator Rules, and Transition Rules are still to be finalised, and will contain substantial detail on the operative effects of FAR.

CSLR and FAR were both developed in response to the recommendations made by the 2019 report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (**Report**). FAR replaced the BEAR for ADIs, such as SML, from 15 March 2024. FAR will become effective for other regulated entities, including insurers, from 15 March 2025.Following the implementation of FAR, Suncorp Group's APRA regulated accountable entities (being the ADI, general insurer and our authorised non-operating holding company) and their identified accountable persons (being directors and certain senior executives) will be subject to, or impacted by, new or heightened accountability obligations, notification obligations, key personnel obligations and deferred remuneration obligations. Non-compliance with FAR requirements may result in civil penalties for the Regulated Entity, consequence for the accountable person which may include disqualification and / or proportionate reduction of variable remuneration for non-compliance, and / or other regulatory enforcement.

Litigation and regulatory proceedings

The Suncorp Group, like all entities in the banking, insurance or finance sectors, is 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 Suncorp Group 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.

Class action

As disclosed in the consolidated annual financial report as at 30 June 2023, a class action was filed against AAI, MTAI Limited and former Suncorp Group entity SLSL (now TAL Life Ltd) 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 Suncorp Group is defending this matter. The Suncorp Group has made provision for legal, investigation and other defence costs. At this stage of the proceedings, it is not possible to determine the ultimate financial impact of this matter, if any.

Business interruption

The COVID-19 pandemic led to the examination of various business interruption wordings through litigation, including two significant industry test cases. In the first case, the Court ruled that insurers cannot rely on certain policy exclusions referencing the Quarantine Act. 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 found in favour of the insurers concluding that, in most instances, the indemnity clauses did not trigger. The High Court of Australia's rejection of the special leave application on 14 October 2022 confirmed the Federal Court decision. While settled in the main, there is some ongoing business interruption litigation with other industry participants, the outcome of which may have broader industry application and that could impact the Suncorp Group's future exposure.

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 9 to the financial statements contained within the FY23 Issuer Annual Report.

Other outstanding and potential matters

There are other outstanding court proceedings, potential fines, enquiries, industry reviews, claims and possible claims against the Suncorp Group, the aggregate amount of which cannot be readily quantified.

An assessment of the likely cost to the Suncorp Group of these matters 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. Contingent liabilities may exist in respect of actual or potential claims or as part of future programs responding to regulatory or internal reviews, the outcomes and total costs associated with which, remain uncertain.

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.

New Zealand Prudential Standards Review

The New Zealand businesses will be affected by the Reserve Bank of New Zealand's (**RBNZ**) review of the *Insurance (Prudential Supervision) Act 2010* (*NZ*) (**IPSA**) and insurance solvency standards. As part of the IPSA review, the RBNZ is considering implementing a ladder of intervention framework, which provides an escalating supervisory response as capital levels decline. RBNZ is also considering proposals for subsidiaries of an overseas parent company, to mitigate against contagion risk where a group experiences financial difficulties. The initial proposals lack detail at this stage with consultations on the review ongoing and the outcome of the review remaining uncertain.

In relation to the review of insurance solvency standards, the first stage of the review has been completed and an interim solvency standard was implemented in July 2023 to accommodate for new international insurance accounting standards that have recently been implemented. In response to industry feedback, RBNZ is commissioning an external review on amendments to the interim solvency standard with the amendments expected to take effect in mid-late December 2024. Consultation on the next stage of the review of the insurance solvency standard, which will consider individual components of the solvency requirements, is expected to commence in early 2025 with the final solvency standard coming into effect in June 2026.

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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), FATCA, *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 Suncorp. Refer to Section 6.1.26 for the risks associated with APRA appointing such a statutory manager to Suncorp.

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.

Suncorp Group and its subsidiary Suncorp-Metway Limited (**SML**) remains focused on uplifting the maturity of its Anti-Money Laundering and Counter-Terrorism Financing (A**ML/CTF**) systems and controls. To ensure a strategic and holistic approach, management have established a Financial Crime Compliance Program of Action (**FCCPoA**). The FCCPoA incorporates the actions arising from AUSTRAC's AML/CTF Compliance Assessment Report findings in relation to SML's AML Program as well as compliance findings and recommendations from internal assurance work. Management regularly reports to AUSTRAC on progress of the FCCPoA.

Examples of regulatory risks impacting the Suncorp Group

By way of example, the following is a list of regulatory matters the Suncorp Group is currently dealing with:

- Close supervision from APRA, other regulators, and government in relation to the proposed divestment of Suncorp Bank, related contingency planning for Suncorp Group, and transitioning.
- 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. In June 2023, Suncorp concluded an Enforceable Undertaking (EU) with the Fair Work Ombudsman (**FWO**), which is available on the FWO website. Key terms of the EU include that: Suncorp make a $520,000 contrition payment to the Commonwealth consolidated revenue fund; and Suncorp conduct two external and independent pay and leave audits in 2023 and 2024.
- The administration by ASIC of the unfair contract terms legislation for insurance. New reforms commenced on 10 November 2023 and included larger penalties and remedies available, an augmented definition of small business, and a new breach provision.
- Outcomes from ASIC's focus on the insurance industry's pricing promises and practices remain uncertain and may include further information requests and attention over the short to medium term, particularly until the challenging industry-wide affordability issues are further resolved, via a multi-faceted approach from various governments, regulators, and industry.
- The Australian government established the Cyclone Reinsurance Pool (**CRP**) which commenced on 1 July 2022, with Suncorp joining the CRP on 30 June 2023. On joining the CRP Suncorp commenced cessions at 30 June 2023 including a portfolio transfer for policies already in force. All eligible policies were required to be ceded to the CRP by 31 December 2023. Suncorp's entry into the CRP was aligned with Suncorp's reinsurance renewal cycle to seek to maximise the benefits of the CRP on the FY24 reinsurance placement. The ACCC is monitoring the pricing of insurers who join the CRP, and data is collected to evaluate the impact and ensure savings are being passed through to customers. Suncorp has responded to the ACCC with policy, claims and financial data, and pricing information relating to the CRP. The ACCC's second annual report was released in December 2023, noting the full effect of the CRP is yet to be realised. The outcomes of these activities remain uncertain.
- 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. The EQC Act will be replaced by the *Natural Hazards Insurance Act 2023* (NZ) (**NHI Act**) which comes into force on 1 July 2024. The NHI Act 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.
- APRA finalised their substantial changes to operational risk management (CPS 230) in 2023, with the commencement scheduled for 1 July 2025. APRA is still finalising its guidance and expectations in relation to some aspects of these changes, and accordingly the impact of these changes remain uncertain.

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- Increased focus and assessment from APRA of cyber security and cyber resilience under CPS 234 obligations, including pursuit of breaches, identification of and action on control weaknesses and event responses, associated remediation, the outcomes of which remain uncertain.
- Expectations from each of APRA and ASIC relating to climate-change risk management and disclosure, along with potential changes proposed by the Australian Accounting Standards Board on disclosure of climate-related information within general financial reporting by companies. The latter is currently under consultation, the outcomes of which remain uncertain.
- Amendments to the *Privacy Act 1988* (Cth), following the review and the Commonwealth Government's response in September 2023, likely to result in 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. The full outcome of future amendments remains uncertain. Additionally, penalties have already been substantially increased for a serious or repeated breach of privacy as per the Privacy Legislation Amendment (Enforcement and Other Measures) Act 2022. APRA implementing prudential standards on recovery and exit planning and resolution planning (CPS 190 and CPS 900) to strengthen crisis preparedness, which came into effect for banks and insurers on 1 January 2024.
- ASIC's continuing interest in enhancements to claims handling as a financial service. Along with other industry participants, Suncorp has been subject to a comprehensive claims handling review by ASIC which highlighted improvement areas across resourcing, responsiveness, and customer communications.
- Monitoring by APRA of the revised obligations for remuneration frameworks, practices and disclosures (CPS 511 & FAR).
- Regulation and monitoring by ASIC of RG 271 Internal Dispute Resolution, which extends the standards for complaints handling and management by financial services licensees, and is enforceable.
- APRA's review of the prudential standard on liquidity (APS 210), along with interest rate risk prudential requirements and guidance, to ensure they are fit for purpose and incorporate recent learnings.
- In March 2024, breaches were lodged with APRA relating to their review of APS 210 stress testing requirements. Engagement with APRA has been ongoing following receipt of their formal findings and a project team established to address the deficiencies. The project is expected to achieve full compliance with the APS 210 requirements in the second half of calendar year 2024.
- Consultation from APRA on revisions to the prudential regulation of conglomerate groups, encompassing non-operating holding companies and subsidiaries.
- Changes to the Australian Banking Association (**ABA**) Banking Code of Practice (**BcoP**). The independent review report contained 116 recommendations and the ABA and banks have considered and identified support where relevant. Any changes to the BcoP will need to be approved by ASIC before adoption, with ASIC currently consulting with industry on the changes.
- Potential new regulatory reforms such as significantly increased data collections, due to the ongoing work across governments of all levels, as well as regulatory agencies such as APRA, ACCC and ASIC, to address the broad issues of availability, affordability and sustainability of general insurance.
- APRA's review of CPS 510 Governance, entailing expectations of boards, which may result in revisions to requirements in 2024.
- Future legislation resulting from the Quality of Advice Review recommendations, into the accessibility and affordability of quality advice, and particularly how banks and general insurers engage with their customers. The Commonwealth Government provided their final response to the review in December 2023. Further consultation steps will occur and final legislation is anticipated in 2024.
- 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.
- In November 2023, the Australian Government released a consultation paper on the proposed features of a Scams Code Framework as there is currently no overarching regulatory framework that sets clear roles and responsibilities for the Government, regulators, and the private sector in addressing scams. The Government has committed to introducing new mandatory industry codes to outline the responsibilities of the private sector in relation to scam activity, with a focus on banks, telecommunications providers and digital platforms. Given the Scams Code Framework is still to be drafted and finalised, the potential impacts of the framework remain uncertain.
- Potential for recommendations for new legislative reforms which may impact our insurance business, emanating from the House of Representatives Standing Committee on Economics Inquiry into insurers' responses to 2022 major floods claims.
- Suncorp Group 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.

6.2.5 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.

Insurance reserving risk

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.

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.

The new AASB 17 standard requires identification of 'Onerous Contracts' and for these contracts, 'Loss Components' to be established in respect of future expected losses. The Suncorp Group is required to continually monitor whether 'Facts and Circumstances' change to indicate contract groups are onerous and require a loss component.

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 and severity 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 insufficient natural hazard allowance and/or 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 reinsurance risks outlined in the below section on reinsurance risk.

Climate change may impact the frequency and severity of these events occurring and thereby have an impact on claims volumes and subsequently, on the cost of claims, as well as impacting on reinsurance risk. See also 'Environmental social and governance risk (ESG)' under section 6.2.3.

Reinsurance risk

The Suncorp Group enters into a number of reinsurance arrangements. 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. The Suncorp Group is exposed to the risk that its reinsurers may default on any obligation to pay valid claims. 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.

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.

A summary of the Suncorp Group's reinsurance program for the financial year ending 30 June 2024 is set out below:

Catastrophe reinsurance program

The Suncorp Group's main catastrophe reinsurance program covers the home, motor and commercial portfolios across Australia and New Zealand for the financial year ending 30 June 2024. The cover provides protection for losses between $350 million and $6.4 billion and includes one full prepaid reinstatement. The Suncorp Group's maximum event retention is $350 million for a first large event. At $6.4 billion, the FY24 limit remains in excess of the Australia and New Zealand regulatory requirements.

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For FY24, the Suncorp Group has purchased dropdown covers that reduce the second, third and fourth event retention to $250 million. An Australian dropdown program has also been placed that reduces the third and fourth event retention for events in Australia to $150 million. In New Zealand, buydown cover (including a prepaid reinstatement) has been 52% placed to provide cover between NZ$100 million and the Suncorp Group's maximum event retention ($350 million). From October 2022, the NZ Earthquake Commission has increased the cap for house policies by NZ$150,000 to NZ$300,000.

The program also has a quota share arrangement ceding 30% from the Queensland home insurance portfolio to reduce concentration risk in this region. The Suncorp Group also maintains comprehensive reinsurance cover for casualty and other property risks. The Suncorp Group also has a 50% quota share arrangement in place for large global property risks.

Cyclone Reinsurance Pool

The Suncorp Group joined the Federal Government's Cyclone Reinsurance Pool ("CRP") on 30 June 2023. The CRP is administered by the Australian Reinsurance Pool Commission ("ARPC") and covers home and SME property damage resulting from declared cyclones and a limited amount of related flooding. Risk covered by the cyclone reinsurance pool has been transferred from reinsurers and the Suncorp Group to the CRP from this date.

6.2.6 Financial risk

There are financial risks associated with the Suncorp Group's exposure to the risk of financial loss and the inability to meet liabilities, including due to market risk, interest rate risk, liquidity risk and credit risk.

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 international hostilities, tension or geopolitical instability and global pandemics. These risks may result 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 Group.

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 globally as well as the ongoing conflict in Ukraine and the Middle East, resulting in higher levels of inflation and interest rates. In addition, China is one of Australia and New Zealand's major trading partners and a significant driver of economic growth in many of the markets in which Suncorp Group and its customers operate. Any heightening of geopolitical tensions and the occurrence of events that adversely affect China's economic growth or Australia and New Zealand's economic relationship with China (including the adoption of protectionist trade measures or sanctions) could adversely affect Australia and New Zealand's economic growth. This could result in reduced demand for Suncorp Group's products and services and affect supply chains and the overall level of economic activity. There is also a risk that a large contraction in economies could lead to corporate bankruptcies, a rise in unemployment and an increase in household financial stress. The flow on economic impacts domestically and globally, may have an adverse effect on the Suncorp Group's future financial performance and position.

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.

Market risk

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.

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 (and potential for negative interest rates), foreign exchange rates, equity prices, property prices and credit spreads.

Market 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 global market, geopolitical, and economic volatility, which may lead to market disruption and periods of high inflation and higher interest rates. As a result, Suncorp Group's businesses, financial performance, capital resources and financial condition may be adversely affected.

Global market and economic volatility

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. 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 Group.

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Geopolitical conflict, emerging environmental, social and governance risks, costs and availability of capital, shifts in global commodity and energy prices, supply shortages, inflationary pressures, expected slowing economic growth, central bank monetary policy, 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, and the introduction of tariffs and other protectionist measures by various countries, in particular, and other factors may continue to contribute to market volatility and economic uncertainty both domestically and globally.

Any such market and economic disruptions could have an adverse effect on financial institutions, such as the Suncorp Group, because consumer and business confidence may decrease, unemployment may rise and demand for the products and services Suncorp Group provides may decline. This could adversely affect Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

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 Suncorp Group.

Movements in interest rates may require Suncorp Group to post collateral to support derivative instruments, which may impact Suncorp Group's liquidity and may have a material adverse impact on the financial performance and position of the Suncorp Group. Fluctuations in interest rates can also impact the rate at which certain liabilities are discounted, the Suncorp Group's investment portfolio and the Suncorp Group's funding costs.

Inflation risk

Inflation levels across the globe are elevated 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 ongoing geopolitical tensions, and production limits in certain countries to meet emission targets. As a result, central banks across the globe have increased short-term interest rates and made 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.

In addition, persistent high inflation levels can erode the returns of some assets and frequent changes in monetary policy settings can create volatility within an investment portfolio.

Decline in asset markets

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 impact customers and counterparties and the value of security held against loans and derivatives, which may impact 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 Suncorp Group's banking operations. A material decline in property prices in Australia, or other markets where Suncorp Group's customers do business, could decrease the amount of new lending Suncorp Group's banking operations are able to write and/or increase the losses that Suncorp Group's operations may experience from existing loans and investments. This could adversely affect Suncorp Group's balance sheet and ability to offer continued product suite.

Funding and liquidity risk

Suncorp Group is 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, 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 Suncorp Group will be able to obtain adequate funding at acceptable prices or at all. If 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, 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 Suncorp Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

Credit and counterparty risk

Credit risk arises primarily from 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 Suncorp Group, including the repayment of loans and interest.

Credit risk also arises from certain derivative contracts 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.

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 Suncorp Group may experience a significant increase in defaults and write-offs and be required to increase its provisioning.

Reinsurance arrangements can be complex and reinsurance recoveries will most often coincide with large catastrophic or natural hazard events. Given the claim size of associated events, a failure to recover reinsurance may lead to heighted liquidity risk and or material impact to the financial performance and position of the Suncorp Group.

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

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Change in Suncorp Group's credit ratings

Credit ratings are opinions on Suncorp Group's creditworthiness. 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 Issuer and the Suncorp Group by rating agencies are based on an evaluation of a number of factors, including financial strength, support from members of 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 6 or by other events (such as the Proposed Bank Sale), including changes to the methodologies used by the rating agencies to determine ratings.

If Suncorp Group, or any member of the Suncorp Group, fails to maintain its current credit ratings, this could adversely affect Suncorp Group 's cost of funds and related margins, competitive position and its access to capital and funding markets. This could adversely affect 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 Suncorp Group, or any member of the Suncorp Group, differ among agencies (split ratings) and whether any ratings changes impact Suncorp Group's peers or the banking and insurance sectors.

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7. About the Offer

This Section provides information about the Offer, including how to apply. The key dates in relation to the Offer are outlined on page 8 of this Prospectus.

The Offer	– The Offer is for the issue of Capital Notes 5 with an Issue Price of $100 per Capital Note 5 to raise $360 million with the ability to raise more or less. – Suncorp has allocated $360 million of Capital Notes 5 in firm commitments to Syndicate Brokers and Institutional Investors following the close of the Bookbuild. – The final size of the Offer will depend on the volume of Applications received and accepted under the Reinvestment Offer. Suncorp reserves the right to scale back Applications or increase the final size of the Offer if there is excess demand. – All Capital Notes 5 issued will be allotted under and subject to the disclosure in this Prospectus.

Structure of the Offer	– The Offer comprises:
	  – a New Money Offer made to eligible clients of the Syndicate Brokers and Institutional Investors wishing to make a new investment in Capital Notes 5; and
	  – a Reinvestment Offer made to clients of the Syndicate Brokers and Institutional Investors, who are Eligible Capital Notes 2 Holders wishing to reinvest some or all of their Capital Notes 2 in Capital Notes 5.

Applications	– All Applications must be submitted through a Syndicate Broker. A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory at the end of this Prospectus. – Applications (under both the New Money Offer and Reinvestment Offer) from Retail Investors will only be accepted from Retail Investors who satisfy the eligibility requirements in accordance with the TMD. You should contact a Syndicate Broker or other professional adviser to obtain more information on whether you satisfy the eligibility requirements. – **As there is no general public offer or securityholder offer, no Application can be made directly to Suncorp.**
When to apply	– An Application must be made to, and the Application Payment (as applicable) must be received by, your Syndicate Broker in sufficient time for them to process your Application on your behalf by the Closing Date, expected to be 5.00pm (AEST) on 9 May 2024. – Eligible investors are encouraged to apply as soon as possible after the Opening Date.
Obtaining a Prospectus	– During the Exposure Period, an electronic version of the Original Prospectus (without an Application Form) was made available to eligible investors (including eligible Capital Notes 2 Holders) at **www.suncorpgroup.com.au/sunpj**. – During the Offer Period, an electronic version of this Prospectus will be available at **www.suncorpgroup.com.au/sunpj** and may be available through your Syndicate Broker. – The Prospectus is only available electronically and Suncorp will not be providing paper copies of the Prospectus. – If you access the Prospectus electronically you must ensure that you access and download or print the electronic copy of the Prospectus in Australia and you should ensure that you download and read the entire Prospectus.
Minimum Application amount	– For the New Money Offer, Applications must be for a minimum of 50 Capital Notes 5 ($5,000) and, after that, in multiples of 10 Capital Notes 5 ($1,000). – For the Reinvestment Offer, there is no minimum number of Capital Notes 2 that you must hold to be able to participate. However, if you are an Eligible Capital Notes 2 Holder and own less than 50 Capital Notes 2, you must apply to reinvest all of your Capital Notes 2 if you wish to participate in the Reinvestment Offer. If you are an Eligible Capital Notes 2 Holder and you own 50 or more Capital Notes 2, you must apply to reinvest at least 50 of your Capital Notes 2 if you wish to participate in the Reinvestment Offer.

Capital Notes 5 Target Market and key eligibility requirements	– Suncorp has made the TMD for Capital Notes 5 in accordance with its obligations under the DDO Regime. The TMD is available at **www.suncorpgroup.com.au/sunpj**.
	– The TMD describes, among other things, the class of Retail Investors that comprises the Capital Notes 5 Target Market, being Retail Investors who:
	  – are seeking to acquire an investment product with the ability to generate income;
	  – are not seeking capital growth;
	  – are able to bear the risks associated with an investment in Capital Notes 5 (which are summarised in Section 1.5 and detailed in Section 6, in particular, the potential non-payment of distributions, the lack of certainty as to timeframe for repayment of the capital invested, and the potential loss of some or all of the investment capital in Capital Notes 5);
	  – are seeking to invest for the long term and do not require certainty as to repayment of their capital invested within a specific timeframe or at all; and
	  – are seeking to have the ability to sell Capital Notes 5 on market at the prevailing market price.

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- The TMD also specifies key eligibility requirements for Retail Investors. To satisfy these requirements, Retail Investors must:
  - be a company or an individual (including as a trustee of a trust) aged 18 years or older; and
  - have an Australian residential address; and
  - have received personal advice from a financial adviser (who is acceptable to a Syndicate Broker) in relation to an investment in Suncorp Capital Notes 5.
- If you are a Retail Investor and wish to participate in the Offer, you must meet the key eligibility requirements in the TMD and seek professional advice from a financial adviser (who is acceptable to a Syndicate Broker) as to whether you are within the Capital Notes 5 Target Market and if an investment in Capital Notes 5 is suitable for you in light of your particular investment objectives, financial situation and needs.
- If you have any questions about the Offer, Capital Notes 5, or the Capital Notes 5 Target Market, you should contact a Syndicate Broker or other professional adviser or seek personal advice from a qualified financial adviser who is licensed by ASIC to give that advice.

Bookbuild and Allocation Policy

Bookbuild

- The Bookbuild is a process that has been conducted by the Joint Lead Managers before the Opening Date to determine the Margin and firm allocations of Capital Notes 5 to Bookbuild participants (being Syndicate Brokers and certain Institutional Investors), by agreement with Suncorp. In this process, the Bookbuild participants were invited to lodge bids for a number of Capital Notes 5. On the basis of those bids, the Arranger, Joint Lead Managers and Suncorp, by mutual agreement, determined the Margin and the firm allocations to Syndicate Brokers and to certain Institutional Investors. The Margin will not change for the term of Capital Notes 5.
- The Bookbuild has been conducted in the manner contemplated in this Prospectus and, otherwise, on the terms and conditions agreed to by Suncorp, the Arranger and the Joint Lead Managers in the Offer Management Agreement.
- Suncorp reserves the right to change the size of the Offer following the close of the Bookbuild.

What is the allocation policy?

- Allocations to Syndicate Brokers and Institutional Investors have been agreed by the Joint Lead Managers and Suncorp following completion of the Bookbuild.
- Allocations to Applicants by a Syndicate Broker (including in respect of Applications under the Reinvestment Offer) are at the discretion of that Syndicate Broker. However, priority is intended to be given to Applicants applying to reinvest their Capital Notes 2 over other Applicants.
- It is possible for Applications to be scaled back by a Syndicate Broker. Suncorp takes no responsibility for any allocation, scale back or rejection decision of a Syndicate Broker.
- No assurance is given that any Applicant (including an Applicant under the Reinvestment Offer) will receive an allocation of Capital Notes 5.

How will the final allocation policy be announced?

- Applicants will be able to confirm their allocation through the Syndicate Broker from whom they received their allocation.
- However, if you sell Capital Notes 5 before receiving a Holding Statement, you do so at your own risk, even if you confirmed your firm allocation through a Syndicate Broker.

Restrictions on distribution

- No action has been taken to register or qualify this Prospectus, Capital Notes 5, the Offer or otherwise to permit a public offering of Capital Notes 5 in any jurisdiction outside Australia.
- The distribution of this Prospectus (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Prospectus outside Australia, then you should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may violate securities laws. This Prospectus and the Offer do not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.
- This Prospectus (including an electronic copy) may not be distributed or released, in whole or in part, in the United States. Neither Capital Notes 5 nor the Ordinary Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state of the United States and they may not be offered or sold in the United States. Capital Notes 5 are being offered and sold in the Offer solely outside the United States pursuant to Regulation S under the U.S. Securities Act.
- Any offer, sale or Resale of Capital Notes 5 in the United States by a dealer may violate the registration requirements of the U.S. Securities Act.
- Each person submitting an Application will be deemed to have acknowledged that they are aware of the restrictions referred to in this Section 7 and to have represented and warranted that they are able to apply for and acquire Capital Notes 5 in compliance with those restrictions.

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Other information	**Application to ASX for quotation of Capital Notes 5** – Suncorp has applied to ASX for Capital Notes 5 to be quoted on ASX. If ASX does not grant permission for Capital Notes 5 to be quoted within three months after the date of the Original Prospectus, Capital Notes 5 will not be issued and all Application Payments will be refunded (without interest) to Applicants as soon as practicable. **CHESS and issuer sponsored holdings** – Suncorp has applied for Capital Notes 5 to participate in CHESS. No certificates will be issued for Capital Notes 5. Suncorp expects that Holding Statements for issuer sponsored holders and confirmations for CHESS holders are expected to be despatched to successful Applicants by 16 May 2024. **Trading and selling on market** – It is expected that Capital Notes 5 will begin trading on ASX on a normal settlement basis on 15 May 2024 under the ASX code '**SUNPJ**'. Deferred settlement will not occur. – You are responsible for confirming your holding before trading in Capital Notes 5. If you are a successful Applicant and sell your Capital Notes 5 before receiving your Holding Statement, you do so at your own risk. – You may call your Syndicate Broker, after the Issue Date to enquire about your allocation. **Provision of bank account details for Distributions** – Suncorp's current policy is that Holders with a registered address in Australia will be paid Distributions by direct credit into nominated Australian financial institution accounts (excluding credit card accounts). **Provision of TFN or ABN** – If you are an Applicant who has not already quoted your Tax File Number (**TFN**) or Australian Business Number (**ABN**) to Suncorp and are issued any Capital Notes 5, then you may be contacted in relation to quoting your TFN, ABN or both. – The collection and quotation of TFNs and ABNs is authorised and their use and disclosure is strictly regulated by tax laws and the Privacy Act. It is not an offence to not quote your TFN or ABN however, not doing so may result in tax being withheld from Distributions. Please refer to 'Pay as you go withholding tax' in Section 8 for additional information. – Successful Applicants who do not have an address in Australia registered with the Registry, or who direct the payment of any Distributions to an address outside Australia, may have an amount deducted from any Distributions paid for Australian withholding tax, to the extent that the Distribution is not fully franked or declared to be conduit foreign income. – Suncorp may be required to request information from successful Applicants to comply with its obligations under FATCA or CRS. See Sections 6.1.27 and 6.1.28 for more information. **Discretion regarding the Offer** – Suncorp reserves the right not to proceed with, and may withdraw, the Offer at any time before the issue of Capital Notes 5 to successful Applicants. – If the Offer, or any part of it, does not proceed, all relevant Application Payments will be refunded (without interest) as soon as practicable. – Suncorp and the Joint Lead Managers also reserve the right to close the Offer (including the Reinvestment Offer) or any part of it early, extend the Offer (including the Reinvestment Offer) or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Capital Notes 5 than applied or bid for. This is at Suncorp's discretion and Suncorp is under no obligation to exercise that discretion in any particular way. – Investors should note that no cooling-off rights (whether by law or otherwise) apply to an Application for Capital Notes 5. This means that, in most circumstances, Applicants may not withdraw their Applications once submitted, except as permitted by the Corporations Act.

Enquiries	– You can view the Offer website at **www.suncorpgroup.com.au/sunpj** or call the Capital Notes 5 Offer Information Line on 1300 882 012 (within Australia) or +61 2 8767 1219 (outside Australia) Monday to Friday 8:30am to 7:30pm (AEST) if you:
	  – have further questions on how to apply for Capital Notes 5; or
	  – have any other questions about the Offer (including the Reinvestment Offer).
	– You should contact your Syndicate Broker if you have further questions about your Application.

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8. Australian taxation summary

This Section contains a summary of the Australian tax consequences for potential holders and participating Capital Notes 5 holders, and is based on Australian tax law and administrative practice as at the date of this Prospectus.

This summary is necessarily general in nature and is not intended to be definitive tax advice to potential holders or participating Capital Notes 5 holders. Accordingly, each potential holder and each participating Capital Notes 5 holder should seek their own tax advice, specific to their particular circumstances, as to the tax consequences of investing in, holding and disposing of Capital Notes 5.

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TO The Directors
Suncorp Group Limited
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CONFIDENTIAL 24 APRIL 2024

Dear Directors

Australian tax consequences of investing in Suncorp Group Limited Capital Notes 5

We have been instructed by Suncorp Group Limited (**"Suncorp"**) to prepare this summary of the Australian tax consequences of investing in the Suncorp Capital Notes 5 (**"Notes"**), to be included in the Prospectus dated 24 April 2024. We refer to holders of the Notes as **"Holders"**.

This letter is not intended to constitute legal or taxation advice for Holders or prospective Holders and is of a general nature only. Holders and prospective Holders should obtain independent, professional legal and taxation advice relevant to their particular circumstances.

This letter does not constitute financial advice. King & Wood Mallesons does not make any comments promoting or recommending participation in the issue of Notes. Holders and prospective Holders should seek independent, professional financial advice before making any investment decision concerning the Notes.

1 Scope

This letter summarises the Australian income tax, capital gains tax (**"CGT"**), stamp duty and goods and services tax (**"GST"**) consequences arising to both Australian resident and non-Australian resident Holders who hold the Notes on capital account.

This letter does not make any comments regarding the potential taxation consequences for Holders who hold their Notes on revenue account.

This letter also does not make any comments regarding the potential taxation consequences for Holders who are non-Australian residents who hold the Notes through a permanent establishment in Australia.

2 Anticipated Class Ruling

Suncorp has applied for a class ruling to be issued by the Commissioner of Taxation (**"Commissioner"**) pursuant to section 358-5 of Schedule 1 of the *Taxation Administration Act 1953* (Cth), in respect of the Australian taxation consequences arising for a specified class of Holders of the Notes (the **"Class Ruling"**).

金杜律師事務所國際聯盟成員所。更多資訊，敬請瀏覽 www.kwm.com
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Once the Class Ruling has been issued, it will be publicly available on the Australian Taxation Office ("**ATO**") website at *www.ato.gov.au*.

The Class Ruling should apply to Holders of the Notes who are Australian residents during the period in which they hold the Notes, who do not hold those Notes as "revenue assets" or "trading stock", and who are not subject to the taxation of financial arrangements ("**TOFA**") rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) ("**1997 Act**").

The Class Ruling should confirm the taxation consequences outlined below for Australian resident Holders of the Notes. The Class Ruling will only specify the taxation consequences arising from Australian tax law as at the date of the Class Ruling.

The Class Ruling does not apply to non-Australian residents who hold the Notes. However, we set out some of the anticipated taxation consequences for such Holders below.

3 Tax consequences for applicable Holders — included in Class Ruling

3.1 Capital Notes are equity

The Notes should be characterised as non-share equity interests in Suncorp.

This is on the basis that, while the Notes are not shares in the share capital of Suncorp, they should satisfy the equity test in Division 974 of the 1997 Act because they can be converted into ordinary shares in Suncorp. The terms of the Notes do not satisfy the test for a debt interest under Division 974 and therefore are not characterised as debt interests under the tiebreaker rule.

The Notes should not be characterised as "traditional securities" or "qualifying securities". As such, the CGT rules should govern the taxation consequences for Australian-resident Holders of the Notes who hold them on capital account, rather than the specific rules for traditional securities or qualifying securities.

Whilst this is a matter which is not addressed in the Class Ruling, this is a matter which is intended to be covered in a Private Ruling issued to Suncorp by the Commissioner in relation to the issue of Capital Notes 5.

3.2 Distributions and gross-up for franking credits

Distributions on the Notes will be included in the assessable income of the Holders as non-share dividends.

It is expected that the Distributions on the Notes will be franked. Those franking credits should be assessable to the Holders, who should then be entitled to a tax offset equal to the franking credits (provided the Holder is a "qualified person" as discussed below)

Holders who are not corporate tax entities and trustees, and who are entitled to a franking credit tax offset, should be subject to the refundable tax offset rules. Those rules should allow those Holders to be refunded any tax offset which is in excess of their income tax liability.

It is not anticipated that the Commissioner will seek to deny the Holders any imputation benefits using the various anti-avoidance provisions in the tax legislation.

3.3 CGT cost base and acquisition date

The first element of the cost base and reduced cost base of the Notes should be $100, being the money paid in respect of acquiring each Note (its Issue Price). A Holder will not pay, and will not be required to pay, any further amounts or give any other property to acquire a Note. However, the cost base and reduced cost base of the Notes may include other amounts expended by a Holder

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with respect to those Notes, for example certain non-deductible incidental costs such as fees paid to professional advisors.

The Notes should be regarded as having been acquired when the contract was entered into to acquire the Notes. This should be the same as the date the Notes are issued.

3.4 Conversion of Capital Notes 5

If the Notes are Converted into ordinary shares in Suncorp, CGT event C2 will happen and any gain or loss that would otherwise arise from that Conversion will be disregarded.

The value of the ordinary shares acquired by Holders on Conversion should not be included in the assessable income of the Holders as a dividend. This is because they are not issued to the Holders as shareholders of Suncorp, but by virtue of their rights as Holders of the Notes. They will also not be included in the assessable income of the Holders as a non-share dividend, since the Issue Price of the Notes will be debited to Suncorp's non-share capital account.

3.5 CGT cost base and acquisition following Conversion

Following Conversion, the first element of the cost base and reduced cost base of the ordinary shares acquired as a result of Conversion will be the cost base and reduced cost base of the Notes at the time of Conversion. If the number of ordinary shares issued to a Holder is more or less than the number of Notes previously held by that Holder, the cost base or reduced cost base of their Notes (including any other amounts expended by a Holder and included in that cost base or reduced cost base) will be spread across all of the ordinary shares issued to the Holder. This is because no amount is paid to convert the Notes to ordinary shares, and no amounts are included in the assessable income of the Holder in relation to the capital gain arising (and being disregarded) on the Notes on Conversion.

The Holders will be taken to have acquired the ordinary shares when Conversion happens, as opposed to when they acquired the Notes. As such, Holders who can benefit from the 50% CGT discount will need to hold the ordinary shares for 12 months or more following Conversion in order to benefit from the discount.

3.6 Utilising the franking credit - who is a "qualified person"?

A Holder is only required to include the franking credit in their assessable income and is only entitled to a tax offset with respect to that franking credit, if they are a "qualified person". Holders who are individuals are considered to be qualified persons if their aggregate tax offsets from all franked distributions they have received in an income year is $5,000 or less. (This rule does not apply in respect of any "related payments" which may be made in respect of a distribution on the Notes as discussed below).

As the Notes are treated as preference shares for these purposes, to be a "qualified person" a Holder is required to have held the Notes for a continuous period of at least 90 days during the relevant qualification period, not including the days of acquisition and disposal and not including any days on which the Holder has "materially diminished" risks of loss or opportunities for gain in respect of the Notes (being where the Holder's "net position" on a particular day has less than 30% of the risks and opportunities).

The relevant qualification period begins on the day after the day on which the Holder acquired the Notes and ends on the 90th day after the day on which the Notes become "ex dividend".

A different qualification period applies if there are 'related payments'. These payments generally occur when a Holder makes a payment which has the effect of passing the benefit of a distribution

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on the Notes to another person. In that case the Holder must not have materially diminished their risks of loss or opportunities for gain during the period beginning 90 days before and ending 90 days after the day in which the Notes become "ex dividend".

4 Tax consequences for Holders - not included in Class Ruling

4.1 Sale of Capital Notes 5

If a Holder sells their Notes, they will make a capital gain if the proceeds of sale exceed the cost base of those Notes. This capital gain will be included in their assessable income. Conversely, they will make a capital loss if the proceeds of sale are less than the cost base of those Notes. This capital loss will be applied against any other capital gains made by the Holder, and any remaining capital loss after that application will be carried over into subsequent income years.

If the Holder has held the Notes for 12 months or more and is an Australian resident, they may benefit from the CGT discount. If the Holder is an individual or trust, that discount is 50% of the gain. For a superannuation entity, the discount percentage is 33⅓%. Holders which are companies are not eligible for the CGT discount.

If the Holder sells their Notes before 12 months have elapsed after they acquired them, the Holder is not eligible for the CGT discount.

4.2 Redemption or Resale of Capital Notes 5

Suncorp may elect to redeem the Notes in certain circumstances. That redemption requires Suncorp to pay the Redemption Price (equal to the Issue Price ($100)) to the Holder, upon which all other rights and restrictions imposed by the Notes no longer have effect.

The payment of the Redemption Price should not be treated as a dividend paid by Suncorp to the Holders, to the extent they are paid out of capital and not out of profits.

Suncorp may also elect to resell the Notes in certain circumstances. This would require the Holder to transfer their Notes to a purchaser nominated by Suncorp for the Resale Price (equal to the Issue Price ($100)).

Both Redemption and Resale would constitute a CGT event, and as such a Holder would make either a capital gain or capital loss depending on whether the Redemption Price or Resale Price are greater than the cost base, or less than the reduced cost base of the Notes. As described above, certain Australian resident Holders may be entitled to the CGT discount on any capital gain.

4.3 Pay-as-you-go withholding tax

Australian resident Holders may notify Suncorp of their tax file number, Australian Business Number or a relevant exemption from withholding tax.

If Suncorp does not receive any of the above, Suncorp will withhold tax at the highest marginal rate (including the Medicare Levy) from the unfranked part (if any) of the Distributions. At present, the highest marginal tax rate is 45%, with an additional 2% levied in respect of the Medicare Levy. Those amounts will be remitted to the Commissioner, with Australian resident Holders able to seek a tax credit or rebate in respect of that withheld tax in their tax returns.

4.4 GST

Holders should not be subject to GST on their investment in the Notes, or on any sale of the Notes.

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4.5 Stamp duty

Holders should not be liable to stamp duty on their investment in the Notes, or on any sale, other transfer or Conversion of the Notes.

4.6 Taxation of Financial Arrangements

The TOFA rules in Division 230 of the 1997 Act should not apply to most Holders. While the Notes would constitute "financial arrangements" for the purposes of those rules, the rules do not apply to individuals, or to other types of Holders that have not exceeded certain asset or turnover thresholds, unless they have elected to be treated otherwise.

If a Holder considers that the TOFA rules may apply to them, they should seek independent tax advice regarding their specific circumstances.

4.7 Non-Australian resident Holders

Non-Australian resident Holders should not be subject to dividend withholding tax in respect of fully-franked distributions paid by Suncorp. However, non-Australian resident Holders cannot access any further credits or refunds in relation to the franking credits attached to those dividends.

To the extent a distribution is unfranked, a portion of the distribution will be withheld by Suncorp in respect of dividend withholding tax. That dividend withholding tax is generally 30%, however it may be reduced depending on any double taxation agreement in force between Australia and the country of residence of the non-Australian resident Holder. The Holder may be entitled to credits in their local jurisdiction for the dividend withholding tax paid on the Notes.

Any capital gain or loss arising from the disposal of the Notes by a non-Australian resident Holder will generally be disregarded.

5 Tax consequences for Eligible Capital Notes 2 Holders who participate in the Reinvestment Offer - Not included in Class Ruling

We have set out below some high-level comments in respect of certain Australian tax resident Capital Notes 2 holders (**"Capital Notes 2 Holders"**) regarding the resale of the Capital Notes 2 to the Capital Notes 2 Nominated Purchaser and the Reinvestment Offer, where those Capital Notes 2 Holders are subject to Class Ruling CR 2017/87 (which sets out certain Australian tax consequences for certain Australian tax residents who invested in Capital Notes 2 in the initial offering) and hold their Capital Notes 2 on capital account.

This summary is not exhaustive. The actual tax consequences may differ depending on your particular circumstances and you should seek your own professional tax advice. In particular, this summary does not consider the consequences for Capital Notes 2 Holders who:

- acquired their Capital Notes 2 otherwise than under the initial offering;
- hold their Capital Notes 2 in their business of securities trading, dealing in securities or otherwise hold their Capital Notes 2 on revenue account or as trading stock;
- are not Australian residents for tax purposes;
- are Australian tax residents but acquired and/or hold their Capital Notes 2 through a permanent establishment outside of Australia; or
- are or will be subject to the "taxation of financial arrangements" provisions in Division 230 of the Tax Act in relation to their holding of Capital Notes 2 or the Notes that they will acquire under the Reinvestment Offer.

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5.1 First Pro Rata Distribution and Second Pro Rata Distribution

Capital Notes 2 Holders, including Eligible Capital Notes 2 Holders who participate in the Reinvestment Offer, will receive the First Pro Rata Distribution on 14 May 2024, subject to the payment conditions in the Capital Notes 2 terms and Suncorp's absolute discretion. The Second Pro Rata Distribution on 17 June 2024 will only be received by Capital Notes 2 Holders who do not participate in the Reinvestment Offer.

The tax treatment of these distributions should be the same as the treatment of other distributions received on the Capital Notes 2, as outlined in Class Ruling CR 2017/87. Provided that a Capital Notes 2 Holder is a "qualified person", a Capital Notes 2 Holder should generally include the amount of each distribution as well as an amount equal to any franking credits attached to each distribution in their assessable income and should qualify for a tax offset equal to the franking credits.

5.2 Resale of Capital Notes 2 to the Capital Notes 2 Nominated Purchaser

A CGT event will occur for Capital Notes 2 Holders who participate in the Reinvestment Offer upon resale of the Capital Notes 2 to the Capital Notes 2 Nominated Purchaser.

Capital Notes 2 Holders who participate in the Reinvestment Offer may make a capital gain or capital loss on the resale of their Capital Notes 2, depending on whether the capital proceeds from the disposal are more than the cost base of their Capital Notes 2 or the capital proceeds are less than the reduced cost base of their Capital Notes 2, respectively. Capital losses can generally only be offset against capital gains but can be carried forward for use in a later year.

Based on published guidance from the ATO, the ATO should accept that the market value of each Capital Notes 2 (and therefore the capital proceeds from the resale to the Capital Notes 2 Nominated Purchaser) is equal to the $100 face value of the Capital Notes 2.

A participating Capital Notes 2 Holder's CGT cost base (or reduced cost base) for each Capital Note 2 should include the amount they paid to acquire the Capital Note 2 and may also include certain other non-deductible incidental costs (e.g. brokerage or advisory fees) associated with acquiring and/or disposing of the Capital Notes 2. If the Capital Notes 2 have been owned for at least 12 months prior to the resale date (excluding the days of acquisition and disposal), a Capital Notes 2 Holder (other than a company) may be entitled to receive CGT discount treatment in respect of any gain arising on resale of Capital Notes 2, such that a percentage of the gain is not included in assessable income. The discount percentage is applied to the amount of the capital gain after offsetting any current year or carried forward capital losses. The discount percentages are 50%, 50% and 33 1/3% for Capital Notes 2 Holders who are individuals, trusts and complying superannuation entities respectively.

Companies are generally not entitled to obtain CGT discount treatment.

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5.3 Cost base of Notes acquired under the Reinvestment Offer

The amount of the resale proceeds for Capital Notes 2 that is applied in subscribing for Notes under the Reinvestment Offer should be included in a Holder's cost base (and reduced cost base) for the purposes of determining any future capital gain or capital loss on the disposal of Notes on-market, or through a Conversion, Redemption or Resale.

Yours faithfully

King & Wood Mallesons

This communication and any attachments are confidential and may be privileged.

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9. Additional information

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9.1 Interests and benefits

9.1.1 Directors

The Directors as at the date of this Prospectus had the following relevant interests in issued securities of Suncorp:

Directors	Number of Ordinary Shares	Number of options/ rights over Ordinary Shares
Ms Christine McLoughlin AM[1]	52,550	Nil
Mr Steve Johnston[2]	363,644	803,670
Ms Gillian Brown	481	Nil
Ms Sylvia Falzon	32,292	Nil
Mr Elmer Funke Kupper	47,500	Nil
Mr Ian Hammond	47,509	Nil
Ms Sally Herman OAM	45,000	Nil
Mr Simon Machell	60,000	Nil
Mr Lindsay Tanner	20,068	Nil
Mr Duncan West	24,680	Nil

[1]Ms Christine McLoughlin AM also holds 700 SUNPH (Capital Notes 3).

[2]Mr Steve Johnston as an executive director also holds 385,651 Deferred Incentive Share Rights (SUNAB), and 418,019 Long Term Incentive Performance Rights (SUNAD).

Other than as set out in this Prospectus, no Director or proposed Director holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of Suncorp;
- the Offer; or
- any property acquired or proposed to be acquired by Suncorp in connection with the formation or promotion of Suncorp or the Offer.

Other than as set out in this Prospectus, no amount (whether in cash, Ordinary Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any Director or proposed Director:

- to induce a person to become, or qualify as, a Director; or
- for services provided by a Director or proposed Director in connection with the formation or promotion of Suncorp or the Offer.

Directors' fees

The Constitution contains provisions about the remuneration of the non-executive Directors. As remuneration for their services, Directors are paid an amount of remuneration determined by the Board, subject to a maximum annual aggregate amount determined by Shareholders in a general meeting. The maximum annual aggregate amount, previously approved by Shareholders in an Extraordinary General Meeting on 24 April 2007, has been set at $3.50 million. Each Director (other than the Chairman) may be paid additional remuneration for performance of additional Board Committee services and all Directors are entitled to reimbursement of reasonable out-of-pocket expenses. The remuneration of the Suncorp Group CEO and Managing Director is fixed by the Board. The remuneration may consist of salary, bonuses or any other elements but must not be a commission on or percentage of profits or operating revenue.

Participation in the Offer

The Directors (and certain related persons) may collectively acquire up to 0.2% of Capital Notes 5 offered under the Offer, without Shareholder approval (subject to certain conditions)—see Section 9.10.

9.1.2 Professionals

UBS has acted as the Arranger for the Offer, and each of UBS, Commonwealth Bank of Australia, Morgans, National Australia Bank, and Westpac Institutional Bank have acted as the Joint Lead Managers to the Offer, in respect of which they will receive fees from Suncorp. The estimated aggregate fees payable by Suncorp to the Arranger and Joint Lead Managers are approximately $5.2 million (exclusive of GST), making certain assumptions as to the allocations of Capital Notes 5 between the New Money Offer and Reinvestment Offer, as well as to the total value of Capital Notes 5 issued. The aggregate fees include an arranger fee payable to UBS and other fees payable to the Joint Lead Managers, determined either on the basis of their Capital Note 5 allocation or split proportionately between each of the Joint Lead Managers.

The Joint Lead Managers on behalf of Suncorp are responsible for paying all selling fees and other commissions payable to the Syndicate Brokers.

King & Wood Mallesons has acted as Suncorp's Australian legal and Australian tax adviser in relation to the Offer. In respect of this work, King & Wood Mallesons will be paid approximately $605,000 (excluding disbursements and GST) for work performed by it until the date of the Original Prospectus. Additional amounts may be paid to King & Wood Mallesons in accordance with its time-based charges.

KPMG Transaction Services (a division of KPMG Financial Advisory Services (Australia) Pty Ltd) has acted as Suncorp's accounting adviser and provided due diligence services on certain financial disclosures in relation to the Offer. In respect of this work, KPMG Transaction Services will be paid approximately $135,000 (excluding disbursements and GST) for work performed by it up until the date of the Original Prospectus. Additional amounts may be paid to KPMG Transaction Services in accordance with its time-based charges.

Except as set out in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- Arranger; or
- Joint Lead Manager,

holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of Suncorp;
- the Offer; or
- any property acquired or proposed to be acquired by Suncorp in connection with the formation or promotion of Suncorp or the Offer, nor has anyone paid or agreed to pay or given or agreed to give any benefit to such persons in connection with the formation or promotion of Suncorp or the Offer.

The Arranger, the Joint Lead Managers and their respective affiliates are involved in a wide range of financial services and businesses including some or all of 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, the Arranger, the Joint Lead Managers and their respective affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of customers, in debt, equity or hybrid securities or senior loans or financial products of any member of the Suncorp Group or any third party involved in the Offer, and may finance the acquisition of those securities and/or financial products and take or enforce security over those securities and/or financial products. The Arranger, the Joint Lead Managers and their respective affiliates may receive fees for, or profits and other financial benefits from, those activities.

About the Trustee

The Trustee, Certane CT Pty Ltd, and its directors, employees, officers, affiliates, agents, advisers, intermediaries and related bodies corporate (each a **related person**):

- have not authorised or caused the issue or distribution of this Prospectus, were not involved in preparing this Prospectus and do not make any statement or purport to make any statement in this Prospectus or any statement on which a statement in this Prospectus is based;
- do not assume any responsibility for, or make representations as to the accuracy or completeness of any information contained, in this Prospectus;
- to the maximum extent permitted by law, expressly disclaim all liability in respect of, make no representation or any statement regarding and take no responsibility for any part of this Prospectus, or any statements in or omissions from this Prospectus, other than in the case of the Trustee, only references to its name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with its written consent;
- in the case of the Trustee only, has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and content in which it is named;
- have solely relied on Suncorp for the accuracy of the contents of this Prospectus;
- do not make any representation or warranty as to the performance of Capital Notes 5, the payment of Distributions or Exchange of Capital Notes 5 or the value of any Ordinary Shares issued on Conversion (or their proceeds of sale); and
- are not, subject to the Trustee's obligations under the Corporations Act, responsible for monitoring Suncorp's business.

9.2 Expenses of the Offer

The total expenses of the Offer will be paid out of the proceeds of the Offer. Assuming the Offer raises $360 million, then the net proceeds of the Offer are expected to be approximately $353 million, and the total expenses of the Offer (including fees payable to the Arranger, the Joint Lead Managers, legal, accounting, tax, marketing, administrative fees, as well as printing, advertising and other expenses related to this Prospectus and the Offer) are expected to be approximately $7 million. All of these expenses have been, or will be, borne by Suncorp.

9.3 Reporting and disclosure obligations

Suncorp 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 Suncorp to prepare both annually and half-yearly financial statements, to report on its operations during the relevant accounting period and to obtain an audit or review report from its auditor.

Copies of these and other documents lodged with ASIC may be obtained from, or inspected at, an ASIC office.

Suncorp 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.

Suncorp has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately when it becomes aware of any information concerning Suncorp which a reasonable person would expect to have a material effect on the price or value of its quoted securities.

9.4 Availability of documents

Suncorp will provide a copy of any of the following documents free of charge to any person upon their request during the Offer Period:

- the annual financial report for the year ended 30 June 2023 lodged with ASIC by Suncorp;
- the consolidated interim financial report for the half-year ended 31 December 2023;
- any continuous disclosure notices given by Suncorp in the period after the lodgement of the annual financial report for the year ended 30 June 2023 and before lodgement of this Prospectus with ASIC; and
- the Constitution.

The financial reports 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 the Registry at the address set out in the Corporate Directory at the end of this Prospectus.

9.5 Rights and liabilities attaching to Capital Notes 5

The rights and liabilities attaching to Capital Notes 5 are contained in the Terms, which are set out in Appendix A. Additional rights and liabilities attaching to Capital Notes 5 may arise under the Corporations Act, the ASX Listing Rules, the Constitution and other laws.

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9.6 Rights and liabilities attaching to Ordinary Shares

Holders will receive Ordinary Shares on Conversion. The rights and liabilities attaching to the Ordinary Shares are set out in the Constitution and are also regulated by the Corporations Act, the ASX Listing Rules and the general law.

This Section 9.6 briefly summarises the key rights attaching to 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 Constitution may do so at the registered office of Suncorp during normal office hours or may obtain a copy as provided under Section 9.4.

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, Capital Notes 4 and Capital Notes 5).

9.7 Summary of Trust Deed

Suncorp has entered into a Trust Deed dated on the date of the Original Prospectus with the Trustee. A copy of the Trust Deed can be obtained from **www.suncorpgroup.com.au/sunpj**. The following is a summary only of the principal provisions of the Trust Deed.

9.7.1 Appointment of Trustee

The Trustee has been appointed under the Trust Deed and holds on trust for the Holders and itself upon the terms of the Trust Deed:

- the right to enforce Suncorp's obligation to pay amounts payable under Capital Notes 5;
- the right to enforce any other duties or obligations that Suncorp has under the Terms, to the Holders under the Trust Deed or under Chapter 2L of the Corporations Act; and
- the amount of $10 and any other property held by the Trustee on the trust established under the Trust Deed (including, without limitation, and to the extent such property is held on trust, the benefit of any covenants, undertakings, representations, warranties, rights, powers, benefits or remedies in favour of the Trustee under the Trust Deed).

9.7.2 Undertakings

Suncorp has undertaken to the Trustee (as trustee for the relevant Holder) to, among other things:

- subject to any obligation of Suncorp to Convert or Write-Off the Capital Notes 5, pay the amounts due and payable in respect of that Capital Note 5 under and in accordance with the Trust Deed;
- comply with its obligations under the Terms; and
- comply with its obligations under Chapter 2L and section 318 of the Corporations Act.

9.7.3 Sale of Ordinary Shares

The Trust Deed contains a provision that, where a Non-Viability Trigger Event occurs and the Terms provide for the issue of Ordinary Shares to the Trustee, the Trustee must take delivery of the Ordinary Shares on trust for the relevant Holders and, as required by the Terms, sell (or appoint one or more entities as sales agent to sell on its behalf) the Ordinary Shares of the relevant Holders and pay the proceeds net of sale costs to them.

9.7.4 Enforcement

The Trustee is not obliged to take any action contemplated by the Terms or the Trust Deed, unless each of the following conditions are met:

- it is directed as to the manner in which it should exercise a power pursuant to an Ordinary Resolution (unless the Trust Deed or the Terms require a Special Resolution or a different threshold of approval in the particular circumstances);
- its liability is limited in accordance with the Trust Deed;
- it is indemnified, to its reasonable satisfaction, against certain actions or costs; and
- the action is permitted under the Trust Deed or the Terms and by law.

No Holder is entitled to proceed directly against Suncorp to enforce any right or remedy under or in respect of any Capital Note 5 unless the Trustee, having become bound so to proceed, fails to do so within 14 days and the failure is continuing.

9.7.5 Liability

Except to the extent arising as a result of the Trustee's fraud, negligence or wilful default, the Trustee is not liable to Suncorp or any other person in any capacity other than as trustee of the Trust and the Trustee's liability is further limited to the assets of the Trust available to indemnify the Trustee for the liability.

9.7.6 Fees and expenses

Suncorp will pay the Trustee fees as agreed between Suncorp and the Trustee. Suncorp will also pay, on demand, the Trustee's costs, losses and other liabilities incurred in the course of it acting as Trustee of the Trust (except where incurred as a result of the Trustee's default), as well as costs incurred in connection with enforcing or preserving rights under the Trust Deed.

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9.7.7 Retirement and removal

The Trustee may retire at any time by giving notice to Suncorp at least 60 days before the date it wants to retire or any shorter period, which is agreed. Suncorp may remove the Trustee at any time by giving notice to the Trustee of at least 60 days (or such other period as Suncorp and the Trustee may agree or required by the Corporations Act) in certain circumstances, including:

- the Trustee is in breach of its material obligations under the Trust Deed and has not rectified the breach within 10 Business Days of receiving notice from Suncorp requesting the breach be remedied;
- the Trustee has acted fraudulently, has been grossly negligent or is in wilful default or is in breach of section 283DA of the Corporations Act and, where such default is capable of remedy, the Trustee has not remedied the breach within 7 Business Days after receiving notice from Suncorp of its occurrence;
- the Trustee ceases or has ceased or has expressed an intention to cease to carry on business;
- the Trustee ceases to be a person which can act as Trustee under the Corporations Act;
- the Trustee is placed in liquidation or is wound-up or dissolved or a receiver, liquidator, administrator or similar person is appointed to the Trustee; or
- Suncorp is authorised or requested to do so by a meeting of Holders.

The removal or retirement of the Trustee does not take effect until the appointment of a new trustee is effective. Suncorp has the power to appoint a new trustee.

9.7.8 Meetings

A meeting of Holders has the power to, by Ordinary Resolution, give directions to the Trustee as to the performance of its duties under the Trust Deed and the Terms and, by Special Resolution, release the Trustee from liability, approve any act taken by the Trustee or approve any amendment to the Trust Deed or the Terms required to be authorised by a Special Resolution.

Each Holder is entitled to one vote on a show of hands, unless a poll is demanded by the chairperson, the Trustee or Suncorp or by, or on behalf of, one or more Holders holding (in aggregate) Capital Notes 5 representing at least 5% of the aggregate face value of the Capital Notes 5 outstanding when the meeting begins. On a show of hands, every Holder who is present has one vote and on a poll, every Holder of Capital Notes 5 who is present has one vote for every Note with respect to which it is the registered holder.

9.7.9 No monitoring obligations

The Trustee is not responsible for monitoring compliance by Suncorp with its obligations under the Trust Deed or any other activities of Suncorp, except as required by law. In this regard, the Trustee is subject to certain statutory duties imposed on it under Chapter 2L of the Corporations Act, including to:

- exercise reasonable diligence to ascertain whether:
  - the property of Suncorp that is, or should be, available will be sufficient to repay the amounts lent by Holders in respect of Capital Notes 5; and
  - Suncorp has breached the Terms, the Trust Deed or the provisions of Chapter 2L of the Corporations Act; and
- unless the Trustee is satisfied the breach will not materially prejudice the Holders' interests, it must do everything in its power to ensure Suncorp remedies such a breach.

9.7.10 Receipt of moneys

All moneys that are received by the Trustee under the Trust Deed will be applied first in payment of any amounts owing to the Trustee in connection with the Trust Deed, and secondly in or towards payment of all amounts due but unpaid in respect of Capital Notes 5 to the relevant Holders. The balance (if any) of the money remaining after those payments will be returned to Suncorp.

9.8 Summary of the Offer Management Agreement

9.8.1 Overview

Suncorp, the Arranger and the Joint Lead Managers signed the Offer Management Agreement on 16 April 2024. Under the Offer Management Agreement, Suncorp appointed UBS, Commonwealth Bank of Australia, Morgans, National Australia Bank and Westpac Institutional Bank as Joint Lead Managers of the Offer. The following is a summary of the principal provisions of the Offer Management Agreement.

Under the Offer Management Agreement, the Joint Lead Managers have agreed to manage the Offer, including the Bookbuild and related allocation process for the Offer and to provide settlement support for the settlement obligations of successful Applicants under the Bookbuild.

9.8.2 Fees

The estimated aggregate fees payable by Suncorp to the Arranger and Joint Lead Managers under the Offer Management Agreement are set out in Section 9.1.2. The actual amount payable will not be known until the allocation of Capital Notes 5 under the Offer. In addition, Suncorp must reimburse the Arranger and each Joint Lead Manager for reasonable costs, charges and expenses, including reasonable legal costs, incurred by the Arranger and the Joint Lead Managers in relation to the Offer.

9.8.3 Representations, warranties and undertakings

Suncorp gives various representations, warranties and undertakings to the Arranger and Joint Lead Managers, including that the documents issued or published by or on behalf of Suncorp in respect of the Offer comply with all applicable laws, including the Corporations Act and the ASX Listing Rules.

With the exception of the Capital Notes 5 issue and certain other corporate actions (including an issue of Ordinary Shares under a dividend reinvestment plan), Suncorp has agreed that it will not (and will ensure that its related bodies corporate do not), without the Arranger and Joint Lead Managers' prior written consent, offer or issue any securities with Additional Tier 1 Capital status before the expiration of 90 days after the Issue Date (other than any such securities which are issued by a related body corporate to Suncorp or another related body corporate) or any securities with Tier 2 Capital status predominantly offered to Australian retail investors at any time before the expiration of 45 days after the Issue Date.

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9.8.4 Indemnity

Suncorp agrees to indemnify the Arranger and Joint Lead Managers, their affiliates and the officers, directors, employees, agents, advisers and representatives of the Arranger and Joint Lead Managers and their affiliates against all claims, demands, losses, costs, expenses, liabilities, damages or actions incurred by them in connection with the Offer (subject to limited exclusions).

9.8.5 Termination events

The Arranger and each Joint Lead Manager may terminate, at any time, its obligations under the Offer Management Agreement on the occurrence of a number of customary termination events, including (among others):

- ASIC issues a stop order or similar proceedings in relation to the Offer;
- ASX refuses to quote Capital Notes 5 on ASX;
- the trading of Ordinary Shares is suspended or Ordinary Shares cease to be quoted on ASX;
- any person (other than a Joint Lead Manager) withdraws their consent to be named in the Prospectus;
- Suncorp withdraws the Prospectus or the Offer;
- a supplementary Prospectus is lodged, or in the reasonable opinion of the Arranger or the Joint Lead Managers should be lodged, with ASIC under section 719 of the Corporations Act;
- Suncorp's credit rating is downgraded, withdrawn or placed on credit watch negative;
- a specified decline in the S&P ASX 200;
- unauthorised alterations to Suncorp's share capital or Constitution; and
- a material adverse change or effect, or any development that is likely to have a material adverse change or effect, in or affecting the general affairs, business, operations, prospects, management, financial position, earnings position, Shareholders' equity or results of operations of the Suncorp Group.

Certain of these events, and other events, will only give rise to a right to terminate if the Arranger or Joint Lead Manager have reasonable and bona fide grounds to believe that the event has had or is likely to have a material adverse effect on the success or settlement of the Offer or there is a reasonable possibility that the Arranger or Joint Lead Manager will contravene, be involved in a contravention of or incur a liability under the Corporations Act, or any other applicable law, as a result of the event. If this occurs, the Joint Lead Manager who terminates will no longer be a Joint Lead Manager and will not be obliged to provide settlement support for the Bookbuild.

Under the Offer Management Agreement, if one Joint Lead Manager terminates, the other Joint Lead Managers may give notice in writing to Suncorp stating whether they assume the obligations of the terminating Joint Lead Manager. In addition, if any Joint Lead Manager terminates its obligations under the Offer Management Agreement, then that Joint Lead Manager and certain of their affiliates will have no obligations to subscribe for any Capital Notes 5 as Bookbuild investors.

If all Joint Lead Managers terminate, none of them, their affiliates or any Bookbuild investors will have any obligation to subscribe for Capital Notes 5.

9.9 Consents

Except as set out below, each of the parties referred to in the following table:

- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named;
- has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based; and
- does not cause or authorise the issue of the Prospectus and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus.

King & Wood Mallesons has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of statements by it, consisting of the Australian taxation summary in Section 8 in the form and context in which it appears in Section 8.

Role	Consenting parties
Arranger	UBS
Joint Lead Managers	Commonwealth Bank of Australia Morgans National Australia Bank UBS Westpac Institutional Bank
Co-Managers	JBWere Limited LGT Crestone Wealth Management Limited Wilsons Advisory and Stockbroking Limited
Auditor	KPMG
Australian legal adviser	King & Wood Mallesons
Australian tax adviser	King & Wood Mallesons
Registry	Link Market Services Limited
Trustee	Certane CT Pty Ltd
Accounting adviser	KPMG Transaction Services

9.10 ASX confirmation

Capital Notes 5 are classified as 'equity securities' for the purposes of the ASX Listing Rules and ASX has confirmed that:

- ASX Listing Rules 3.20.2 and 3.20.5 will not apply to any Conversion of the Capital Notes 5 following the occurrence of a Non-Viability Trigger Event;
- the Terms are appropriate and equitable for the purposes of ASX Listing Rule 6.1;
- the terms of the APRA constraints on the payment of Distributions do not amount to a removal of a right to a distribution for the purposes of ASX Listing Rule 6.10;
- Conversion, Redemption, Resale or write-off of Capital Notes 5, as provided in the Terms, is appropriate and equitable for the purposes of ASX Listing Rule 6.12;
- ASX does not consider Capital Notes 5 to be options or preference securities for the purposes of the Listing Rules;

- there is no further requirement for member approval, or further absorption of placement capacity under Listing Rule 7.1, at the time that Capital Notes 5 are Converted in accordance with ASX Listing Rules 7.2 (exception 9) and 10.12 (exception 7);
- ASX Listing Rule 10.11 has been waived to permit Directors (and their associates) to participate in the Offer, without Shareholder approval, on the condition that (amongst other things) the Directors (and their associates) are collectively restricted to being issued no more than 0.2% of the total number of Capital Notes 5 issued under the Offer;
- the ASX trading code for Capital Notes 5 will be '**SUNPJ**'; and
- the timetable for the Offer is acceptable.

Suncorp has also received the following ASX confirmations in relation to Capital Notes 2 and the Reinvestment Offer:

- that the amendments to the Capital Notes 2 Terms as described in Section 3.1 are appropriate and equitable for the purposes of ASX Listing Rule 6.1;
- that ASX has no objection to the amendments to the Capital Notes 2 Terms as described in Section 3.1 for the purposes of Listing Rules 6.10 and 15.1.2;
- there is no further requirement for member approval, or further absorption of placement capacity under Listing Rule 7.1, at the time that Participating Capital Notes 2 (if any) are converted in the hands of the Capital Notes 2 Nominated Purchaser;
- CHESS will apply a holding lock to any Participating Capital Notes 2 the subject of an Application; and
- that the timetable for the Reinvestment Offer is acceptable.

9.11 ASIC Relief

Suncorp obtained relief from ASIC from section 734(2) of the Corporations Act to enable Suncorp to provide its securityholders with details on the structure of the Offer before the release of the Original Prospectus.

Suncorp also obtained relief from ASIC from the provisions of Division 5A of Part 7.9 of the Corporations Act in relation to unsolicited offers to enable Suncorp and the Nominated Purchaser to conduct the Reinvestment Offer (subject to certain conditions).

9.12 Acknowledgements

Each person submitting an Application Form and Application Payment will be deemed to have:

- acknowledged that they have received a copy of the Prospectus (and any supplementary or replacement document) and that they have been informed that they should read them in full;
- agreed to be bound by the Terms and the terms and conditions of the Offer and, on Conversion of Capital Notes 5, agrees to become a member of Suncorp and to be bound by the terms of Suncorp's Constitution;
- declared that all details provide by them and statements made in their Application Form are complete and accurate;
- consented to the use and disclosure of their personal information as described in Section 9.13 and understood and agreed that the use and disclosure of their personal information applies to any personal information collected by Suncorp and any entity in the Suncorp Group in the course of the Applicant's relationship with Suncorp and any entity in the Suncorp Group;
- declared that the Applicant, if a natural person, is over 18 years of age;
- acknowledged that once Suncorp receives an Application, it may not be withdrawn, except as is permitted by law;
- acknowledged that, in some circumstances, Suncorp may not pay Distributions or any other amount payable on Capital Notes 5;
- applied for the number of Capital Notes 5 at the Australian dollar amount specified in the Application Form submitted or represented by the Application Payment;
- agreed to being allocated the number of Capital Notes 5 applied for (or a lower number allocated in a way described in this Prospectus) or no Capital Notes 5 at all;
- authorised Suncorp and the Joint Lead Managers, and their respective officers or agents, to do anything on the Applicant's behalf necessary for Capital Notes 5 to be allocated to the Applicant, including to act on instructions received by the Registry upon using the contact details in the Application Form;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement document) is not investment advice or a recommendation that Capital Notes 5 are suitable for the Applicant, given the Applicant's investment objectives, financial situation or particular needs;
- declared that the Applicant is an Australian resident or otherwise a person to whom the Offer can be made, and Capital Notes 5 can be issued, in accordance with Section 1.6;
- declared that if they are a Retail Investor, they have received personal advice from a qualified financial adviser in connection with the Offer;
- acknowledged that Capital Notes 5 have not been, and will not be, registered under the U.S. Securities Act or pursuant to the securities laws of any other jurisdiction outside Australia;
- declared that the Applicant is not in the United States and is not a U.S. Person (as defined in Regulation S of the U.S. Securities Act) (and not acting for the account or benefit of a U.S. Person) and the Applicant will not offer, sell or resell Capital Notes 5 in the United States to, or for the account or benefit of, any U.S. Person;
- to the best of their knowledge and belief, no foreign law prohibits them, including the restrictions set out in Section 1.6 of this Prospectus, from being given the Prospectus (or any supplementary or replacement Prospectus) or making an Application or being issued with Capital Notes 5; and
- acknowledged that Capital Notes 5 are not protected accounts or deposit liabilities of Suncorp for the purposes of the Banking Act or protected policies for the purposes of the Insurance Act. Investments can be subject to investment risk, including possible delays in repayment and loss of income and principal invested. Suncorp does not (nor does any other person) in any way guarantee or stand behind the capital value or performance of Capital Notes 5.

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9.13 Privacy

The Registry has been engaged to maintain the Register on behalf of Suncorp. Protecting your privacy and your personal information is important to the Registry.

The Registry will collect your personal information to process your registration for Capital Notes 5, manage and administer your securityholding, provide facilities and services that you may request and carry out appropriate administration, as required by law.

The Corporations Act requires the collection of certain information and for that to be included in the Register. The Register is public and able to be inspected by any person.

If you do not provide your personal information, then it may not be possible to set up or administer your securityholding.

The Registry may disclose your personal information to agents, contractors and service providers, including printers, mailing houses, call centres and general advisors who enable it to provide its services to Suncorp.

Under the Privacy Act, an Applicant may request access to their personal information held on behalf of Suncorp. To request access or correct your personal information, please contact the Registry via the Capital Notes 5 Offer Information Line on 1300 882 012 (within Australia) or +61 2 8767 1219 (outside Australia) Monday to Friday 8:30am to 7:30pm (AEST). The Registry's privacy policy contains more information on how you can access or correct your personal information as well as how to complain about the handling of your personal information. You can read the Registry's privacy policy at **www.linkmarketservices.com.au**.

You can read the Suncorp Group's securityholder privacy statement at **https://www.suncorpgroup.com.au/securityholder-privacy-statement** and the Suncorp Group's Privacy Policy at **www.suncorpgroup.com.au**.

9.14 Statement of Directors

This Prospectus is authorised by each Director who consents, and who has not withdrawn their consent, to its lodgement with ASIC and its issue.

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Appendix A — Capital Notes 5 Terms

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1 Capital Notes 5

1.1 Capital Notes 5

Suncorp Capital Notes 5 (the **Capital Notes**) are perpetual, convertible, subordinated debt obligations in the form of unsecured notes issued by Suncorp, constituted by, and owing under, the Trust Deed. They are issued, and may be Redeemed, Converted or Resold, according to these Capital Notes Terms.

1.2 Form

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

1.3 Issue Price

The Issue Price of each Capital Note is A$100 and is payable in full on the Issue Date.

1.4 CHESS

The Capital Notes will be entered into and dealt with in CHESS. For so long as the Capital Notes remain in CHESS, the rights of a person holding an interest in the Capital Notes are subject to the ASX Settlement Operating Rules but this shall not affect any term which would cause the Capital Notes to cease to be eligible for inclusion as Eligible Additional Tier 1 Capital.

2 Status and ranking

2.1 Status and ranking

The Capital Notes constitute direct and unsecured subordinated obligations of Suncorp, ranking for payment of the Redemption Price in a winding-up of Suncorp:

(a) in priority to Ordinary Shares;

(b) equally among themselves and with all Equal Ranking Instruments; and

(c) behind claims of Senior Ranking Creditors.

2.2 No guarantee, not policies under Insurance Act

The Capital Notes are not:

(a) policy liabilities of Suncorp or any Related Entity of Suncorp for the purposes of the Insurance Act;

(b) protected policies for the purposes of the Financial Claims Scheme established under Part VC of the Insurance Act; or

(c) guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction or by any other party.

2.3 Unsecured notes

The Capital Notes are unsecured notes for the purposes of section 283BH of the Corporations Act.

3 Distributions

3.1 Distributions

Subject to these Capital Notes Terms, Suncorp will pay interest on each Capital Note in arrears on the relevant Distribution Payment Date (a **Distribution**) calculated according to the following formula:

$$\textbf{Distribution} = \frac{\textbf{Distribution Rate} \times A\$100 \times \textbf{N}}{365}$$

where:

Distribution Rate (expressed as a percentage per annum) is calculated according to the following formula:

Distribution Rate = (Bank Bill Rate + Margin) x (1 – T)

where:

Bank Bill Rate means:

(a) subject to paragraph (b) below:

(i) for a Distribution 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 (or its successor as administrator of that rate) publishes through information vendors at approximately 10:30am Australian Eastern Standard Time (or such other time at which such rate is accustomed to be so published) on the first Business Day of the Distribution Period; and

(ii) if Suncorp determines that such rate as is described in paragraph (i) above:

(A) is not published by midday (or such other time that Suncorp 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 Suncorp determines with the advice of a Rate Disruption Adviser having regard to comparable indices then available; and

(b) if a Rate Disruption Event has occurred, then, subject to APRA's prior written approval, Suncorp:

(i) shall use as the Bank Bill Rate such Replacement Rate as it may determine;

(ii) shall make such adjustments to these Capital Notes Terms as it determines are reasonably necessary to calculate Distributions 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) shall consult with the Rate Disruption Adviser; and

(C) may consult with such sources of market practice as it considers appropriate.

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 Distributions contrary to applicable prudential standards.

Margin (expressed as a percentage per annum) means the margin determined under the Bookbuild;

Rate Disruption Event means that, Suncorp has received advice from a Rate Disruption Adviser that 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 Capital Notes;

Replacement Rate means a rate (expressed as a percentage per annum) 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 Suncorp is not able, after making reasonable efforts, to ascertain such rate, or there is no such rate:

(a) a reference rate that is, in Suncorp's opinion, appropriate to floating rate debt securities of a tenor and interest period most comparable to that of Capital Notes; or

(b) such other rate as Suncorp determines having regard to available comparable indices;

T (expressed as a decimal) means the Australian corporate tax rate applicable to the franking account of Suncorp at the relevant Distribution Payment Date; and

N means in respect of:

(a) the first Distribution Payment Date, the number of days from (and including) the Issue Date until (but not including) the first Distribution Payment Date; and

(b) each subsequent Distribution Payment Date, the number of days from (and including) the preceding Distribution Payment Date until (but not including) the relevant Distribution Payment Date.

3.2 Franking adjustments

If a Distribution is not franked to 100% under Part 3-6 of the Tax Act (and any provisions that revise or replace that Part), the Distribution will be calculated according to the following formula:

$$\textbf{Distribution} = \frac{\mathbf{D}}{1 - [T \times (1 - F)]}$$

where:

D means the Distribution calculated under clause 3.1;

T has the meaning given in clause 3.1; and

F means the applicable Franking Rate.

3.3 Payment of a Distribution

Each Distribution is subject to:

(a) Suncorp's absolute discretion; and

(b) no Payment Condition existing in respect of the relevant Distribution Payment Date.

3.4 Distributions are non-cumulative

Distributions are non-cumulative. If all or any part of a Distribution is not paid because of clause 3.3 or because of any other reason:

(a) Suncorp has no liability to pay the unpaid amount of the Distribution;

(b) Holders have no claim or entitlement in respect of such non-payment; and

(c) such non-payment does not constitute an event of default.

No interest accrues on any unpaid Distributions and Holders have no claim or entitlement in respect of interest on any unpaid Distributions.

3.5 Distribution Payment Dates

Subject to this clause 3, Distributions will be payable in arrears in respect of a Capital Note on the following dates (each a **Distribution Payment Date**):

(a) each 17 March, 17 June, 17 September and 17 December commencing on 17 September 2024 until (but not including) the date on which the Capital Note is Converted or Redeemed in accordance with these Capital Notes Terms; and

(b) each date on which an Exchange of that Capital Note occurs, other than a Conversion on a Trigger Event Date, in each case in accordance with these Capital Notes Terms.

If a Distribution Payment Date is a day which is not a Business Day, then the Distribution Payment Date becomes the next day which is a Business Day.

3.6 Record Dates

A Distribution is only payable on a Distribution Payment Date to those persons registered as Holders on the Record Date for that Distribution.

3.7 Restrictions in the case of non-payment

If for any reason a Distribution has not been paid in full on a Distribution Payment Date (the **Relevant Distribution Payment Date**), Suncorp must not, without the approval of a Special Resolution, until and including the next Distribution Payment Date:

(a) declare, determine to pay or pay an Ordinary Share Dividend; or

(b) undertake any Buy-Back or Capital Reduction,

unless the Distribution is paid in full within 3 Business Days of the Relevant Distribution Payment Date.

3.8 Exclusions from restrictions in case of non-payment

The restrictions in clause 3.7 do not apply to:

(a) a redemption, buy-back or reduction of capital in connection with any employment contract, benefit plan or other similar arrangement; or

(b) the payment of an Ordinary Share Dividend or completion of a Buy-Back or Capital Reduction which Suncorp had become legally obliged to pay or complete at the time that the Distribution was not paid.

Nothing in these Capital Notes Terms prohibits Suncorp or a Controlled Entity from purchasing Suncorp Shares (or an interest therein) in connection with transactions for the account of customers of Suncorp or customers of entities that Suncorp Controls or, with the prior written approval of APRA, in connection with the distribution or trading of Suncorp Shares in the ordinary course of business. This includes (for the avoidance of doubt and without affecting the foregoing) any acquisition resulting from acting as trustee for another person where neither Suncorp nor any entity it Controls has a beneficial interest in the trust (other than a beneficial interest that arises from a security given for the purposes of a transaction entered into in the ordinary course of business).

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4 Mandatory Conversion

4.1 Mandatory Conversion

Subject to clauses 5, 6 and 7, on the Mandatory Conversion Date Suncorp must Convert all (but not some) Capital Notes on issue at that date into Ordinary Shares in accordance with clause 8 and this clause 4.

4.2 Mandatory Conversion Date

The **Mandatory Conversion Date** will be the first to occur of the following dates (each a **Relevant Date**) on which the Mandatory Conversion Conditions are satisfied:

(a) 17 December 2032 (the **Scheduled Mandatory Conversion Date**); and

(b) a Distribution Payment Date after the Scheduled Mandatory Conversion Date (a **Subsequent Mandatory Conversion Date**).

4.3 Mandatory Conversion Conditions

The Mandatory Conversion Conditions for each Relevant Date are:

(a) the VWAP on the First Test Date is greater than the First Test Date Percentage of the Issue Date VWAP (the **First Mandatory Conversion Condition**);

(b) the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Relevant Date (the **Second Test Period**) is greater than the Conversion Test Date Percentage of the Issue Date VWAP (the **Second Mandatory Conversion Condition**); and

(c) no Delisting Event applies in respect of the Relevant Date (the **Third Mandatory Conversion Condition** and together with the First Mandatory Conversion Condition and the Second Mandatory Conversion Condition, the **Mandatory Conversion Conditions**).

In these Capital Notes Terms:

Conversion Test Date Percentage	=	101.01% x **Relevant Fraction** (expressed as a percentage)
First Test Date Percentage	=	110% x **Relevant Fraction** (expressed as a percentage)

4.4 Non-Conversion Notices

If:

(a) the First Mandatory Conversion Condition is not satisfied in relation to a Relevant Date, Suncorp will give notice to the Trustee and Holders between the 25th and the 21st Business Day before the Relevant Date; or

(b) the Second Mandatory Conversion Condition or the Third Mandatory Conversion Condition is not satisfied in relation to a Relevant Date, Suncorp will give notice to the Trustee and Holders on or as soon as practicable after the Relevant Date,

(each such notice a **Non-Conversion Notice**) that Mandatory Conversion will not (or, as the case may be, did not) occur on the Relevant Date.

5 Non-Viability Conversion

5.1 Non-Viability Trigger Event

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

(a) the conversion to Ordinary Shares or write off of Relevant Securities 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 Suncorp would become non-viable; or

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

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

5.2 Conversion on Trigger Event Date

If a Non-Viability Trigger Event occurs:

(a) on the Trigger Event Date, subject only to clause 5.5, such number of Capital 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, Suncorp would become non-viable, all Capital Notes must be Converted; and

  (ii) where clause 5.2(a)(i) does not apply and such Non-Viability Determination does not require all Relevant Securities to be converted or written-off, such number of Capital Notes shall Convert as is sufficient (determined by Suncorp in accordance with clause 5.2(b)) to satisfy APRA that Suncorp is viable without further conversion or write-off;

(b) in determining the number of Capital Notes which must be Converted in accordance with this clause, Suncorp will:

  (i) Convert Capital Notes; and

  (ii) convert into Ordinary Shares or write-off other Relevant Securities,

  in each case on an approximately pro-rata basis or in a manner that is otherwise, in the opinion of Suncorp, fair and reasonable (subject to such adjustment as Suncorp 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 Capital Notes or other Relevant Securities remaining on issue) and, for the purposes of this clause 5.2(b), where the specified currency of the outstanding principal amount of any Relevant Securities is not Australian dollars, Suncorp 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 Securities or, if those terms do not specify a basis for determining such rate of exchange, at such rate of exchange as Suncorp in good faith considers reasonable;

(c) on the Trigger Event Date Suncorp must determine the Holders whose Capital 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 Capital Notes that have not been settled or registered at that time;

(d) Suncorp must give written notice of that event (a **Trigger Event Notice**) as soon as practicable to the Trustee and Holders, which notice must specify:

(i) the Trigger Event Date;

(ii) the number of Capital Notes Converted; and

(iii) the relevant number of other Relevant Securities converted or written-off; and

(e) from the Trigger Event Date, subject to clause 5.5 and clause 12.1, Suncorp, the Trustee and the Registrar shall treat the Holder of any Capital Note which is required to be Converted as the holder of the relevant number of Ordinary Shares and will take all such steps, including updating any register, required to record the Conversion.

5.3 Immediacy of Conversion

(a) A Non-Viability Determination takes effect, and Suncorp must perform the obligations in respect of the determination, immediately on the day it is received by Suncorp, whether or not such day is a Business Day.

(b) None of the following events shall prevent, impede or delay the immediate Conversion of Capital Notes as required by clause 5.2:

(i) any failure or delay in the conversion or write-off of other Relevant Securities;

(ii) any failure or delay in giving a Trigger Event Notice;

(iii) any failure or delay in quotation of Ordinary Shares to be issued on Conversion;

(iv) any decision as to the identity of Holders whose Capital Notes are to be Converted; and

(v) any requirement to select or adjust the number of Capital Notes to be Converted or any right to make determinations in accordance with clause 5.2(b) or 5.2(c).

5.4 Priority of Conversion obligations

(a) Conversion on account of the occurrence of a Non-Viability Trigger Event is not subject to the matters described in clause 4.3 as Mandatory Conversion Conditions.

(b) A Conversion required on account of a Non-Viability Trigger Event takes place on the date, and in the manner, required by clause 5.2, notwithstanding anything in clauses 4, 6 or 7.

5.5 Write-Off

Where Capital Notes are required to be Converted, if Conversion has not been effected within 5 Business Days after the relevant Trigger Event Date for any reason (including an Inability Event), Conversion of those Capital Notes on account of the Non-Viability Trigger Event will not occur and those Capital Notes shall be Written-Off with effect on and from the Trigger Event Date in accordance with this clause 5.5 and the provisions of clauses 5.2(b), 5.2(c) and 5.2(d) shall apply in respect of that Write-Off and those Capital Notes as if each reference in those clauses to "Conversion" or "Convert" were a reference to "Write-Off".

In this clause 5.5, **Written-Off** means that, in respect of a Capital Note and a Trigger Event Date:

(a) the Capital Note will not be Converted on that date and will not be Converted, Redeemed or Resold under these Capital Notes Terms on any subsequent date; and

(b) the relevant Holders' rights (including to payment of Distributions and Redemption Price) in relation to such Capital Note are immediately and irrevocably terminated and written off,

and **Write-Off** has a corresponding meaning.

6 Optional Exchange by Suncorp

6.1 Optional Exchange by Suncorp

(a) Suncorp may with APRA's prior written approval by notice to the Trustee and Holders (an **Exchange Notice**) elect to Exchange:

(i) all or some Capital Notes on an Exchange Date following the occurrence of a Tax Event or a Regulatory Event;

(ii) all (but not some only) Capital Notes on an Exchange Date following the occurrence of a Potential Acquisition Event; or

(iii) all or some Capital Notes on an Optional Exchange Date.

(b) An Exchange Notice under this clause 6:

(i) cannot be given in the period of 20 Business Days preceding (and not including) a Relevant Date where the First Mandatory Conversion Condition has been met in respect of that Relevant Date; and

(ii) once given is irrevocable, provided that where a Non-Viability Trigger Event occurs after the giving of an Exchange Notice, such notice will be taken to be revoked immediately and clause 5 will apply.

6.2 Contents of Exchange Notice

An Exchange Notice must specify:

(a) where clause 6.1(a)(i) or clause 6.1(a)(ii) applies, the details of the Tax Event, Regulatory Event or Potential Acquisition Event to which the Exchange Notice relates;

(b) the date on which Exchange is to occur (the **Exchange Date**), which:

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(i) in the case of a Potential Acquisition Event, is the Business Day prior to the date reasonably determined by Suncorp to be the last date on which holders of Ordinary Shares can participate in the bid or scheme concerned or such other earlier date as Suncorp may reasonably determine having regard to the timing for implementation of the bid or scheme concerned or such later date as APRA may require;

(ii) in the case of a Tax Event or a Regulatory Event, is the last Business Day of the month following the month in which the Exchange Notice was given by Suncorp unless Suncorp determines an earlier Exchange Date having regard to the best interests of Holders as a whole and the relevant event; or

(iii) in the case of clause 6.1(a)(iii), is an Optional Exchange Date, which must fall:

(A) no earlier than:

(aa) 25 Business Days, where the Exchange Method elected is Conversion; or

(ab) 15 Business Days, where the Exchange Method is Redemption or Resale; and

(B) in any case no later than 70 Business Days,

after the date on which the Exchange Notice is given;

(c) the Exchange Method in accordance with clause 6.3;

(d) if less than all Capital Notes are subject to Exchange, the proportion of the Capital Notes that are to be Exchanged;

(e) if the Exchange Notice provides that any Capital Notes are to be Resold, the identity of the Nominated Purchaser or Nominated Purchasers for that Resale; and

(f) whether any Distribution will be paid in respect of the Capital Notes to be Exchanged on the Exchange Date.

6.3 Exchange Method

(a) If Suncorp elects to Exchange Capital Notes in accordance with clause 6.1, it must, subject to clauses 6.3(b), 6.4 and 6.5 and subject to APRA's prior written approval, elect which of the following (or which combination of the following) it intends to do in respect of Capital Notes (the **Exchange Method**):

(i) Convert Capital Notes into Ordinary Shares in accordance with clause 8;

(ii) Redeem Capital Notes in accordance with clause 9; or

(iii) Resell Capital Notes in accordance with clause 10.

Holders should not assume that APRA's approval will be given for any Exchange of Capital Notes under these Capital Notes Terms.

(b) Subject to clauses 6.4 and 6.5, in the election under clause 6.3(a), Suncorp may specify which of Conversion, Redemption and Resale applies to a particular Capital Notes. Without limitation to the foregoing:

(i) Suncorp may select any one or more of Conversion, Redemption or Resale to apply to the Capital Notes held by a Holder; and

(ii) Suncorp may select a different combination of Conversion, Redemption and Resale in respect of Capital Notes held by different Holders,

but otherwise Suncorp must endeavour to treat Holders, in the case of an Exchange of only some Capital Notes, on an approximately proportionate basis (although it may discriminate to take account of the effect on marketable parcels and other logistical considerations).

6.4 Restrictions on election by Suncorp of Redemption or Resale as Exchange Method

Suncorp may only elect Redemption or Resale as the Exchange Method in respect of an Exchange under this clause 6:

(a) on an Optional Exchange Date; and

(b) in the case of a Tax Event or Regulatory Event,

and provided in all cases where Suncorp elects Redemption that APRA is satisfied that either:

(i) Capital Notes the subject of the Exchange are replaced concurrently or beforehand with Tier 1 Capital of the same or better quality and the replacement of the Capital Notes is done under conditions that are sustainable for Suncorp's income capacity; or

(ii) APRA is satisfied that, having regard to the capital position of the Group, Suncorp does not have to replace the Capital Notes the subject of the Redemption.

6.5 Restrictions on election by Suncorp of Conversion as Exchange Method

Suncorp may not elect Conversion as the Exchange Method in respect of an Exchange under this clause 6 if:

(a) on the second Business Day before the date on which an Exchange Notice is to be sent by Suncorp (or, if trading in Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in Ordinary Shares occurred) (the **Non-Conversion Test Date**) the VWAP on that date is less than or equal to the First Test Date Percentage of the Issue Date VWAP (the **First Optional Conversion Restriction**); or

(b) a Delisting Event applies in respect of the Non-Conversion Test Date (the **Second Optional Conversion Restriction** and together with the First Optional Conversion Restriction, the **Optional Conversion Restrictions**).

6.6 Conditions to Conversion occurring once elected by Suncorp

If Suncorp has given an Exchange Notice in which it has elected Conversion as the Exchange Method but, if the Exchange Date were a Relevant Date for the purposes of clause 4, either the Second Mandatory Conversion Condition or the Third Mandatory Conversion Condition would not be satisfied in respect of that date, then, notwithstanding any other provision of these Capital Notes Terms:

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(a) the Exchange Date will be deferred until the first Distribution Payment Date on which the Mandatory Conversion Conditions would be satisfied if that Distribution Payment Date were a Relevant Date for the purposes of clause 4 (the **Deferred Conversion Date**);

(b) Suncorp must Convert the Capital Notes on the Deferred Conversion Date (unless the Capital Notes are Exchanged earlier in accordance with these Capital Notes Terms); and

(c) until the Deferred Conversion Date, all rights attaching to the Capital Notes will continue as if the Exchange Notice had not been given.

Suncorp will notify the Trustee and Holders on or as soon as practicable after an Exchange Date in respect of which this clause 6.6 applies that Conversion did not occur on that Exchange Date (a **Deferred Conversion Notice**).

6.7 Purchases

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

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

7 Conversion on Acquisition Event

7.1 Notice of Acquisition Event

Suncorp must notify the Trustee and Holders of the occurrence of an Acquisition Event as soon as practicable after becoming aware of that event (an **Acquisition Event Notice**).

7.2 Conversion on occurrence of Acquisition Event

If an Acquisition Event occurs, Suncorp must Convert all (but not some only) Capital Notes on the Acquisition Conversion Date by notice to the Trustee and Holders (an **Acquisition Conversion Notice**) in accordance with this clause 7 and clause 8.

7.3 Contents of Acquisition Conversion Notice

An Acquisition Conversion Notice must specify:

(a) the details of the Acquisition Event to which the Acquisition Conversion Notice relates;

(b) the date on which Conversion is to occur (the **Acquisition Conversion Date**), which must be:

  (i) the Business Day prior to the date reasonably determined by Suncorp to be the last date on which holders of Ordinary Shares can participate in the bid or scheme concerned or such other earlier date as Suncorp may reasonably determine having regard to the timing for implementation of the bid or scheme concerned; or

  (ii) such later date as APRA may require; and

(c) whether any Distribution will be paid in respect of the Capital Notes on the Acquisition Conversion Date.

7.4 Where Acquisition Conversion Notice not required

Notwithstanding any provision of clause 7.2 or clause 7.3, Suncorp is not required to give an Acquisition Conversion Notice if either or both of the Optional Conversion Restrictions would apply if the Acquisition Conversion Notice were an Exchange Notice under clause 6 and in this case the provisions of clause 7.5 will apply.

7.5 Deferred Conversion on Acquisition Event

If clause 7.4 applies or Suncorp has given an Acquisition Conversion Notice but, if the Acquisition Conversion Date were a Relevant Date for the purposes of clause 4.2, either the Second Mandatory Conversion Condition or the Third Mandatory Conversion Condition would not be satisfied in respect of that date, then notwithstanding any other provision of these Capital Notes Terms (but without limitation to the operation of clause 5.4):

(a) the Acquisition Conversion Notice, if given, is taken to be revoked and Conversion will not occur on the Acquisition Conversion Date specified in the Acquisition Conversion Notice;

(b) Suncorp will notify the Trustee and Holders as soon as practicable that Conversion will not (or, as the case may be, did not) occur (a **Deferred Acquisition Conversion Notice**); and

(c) Suncorp must, unless clause 7.4 then applies, give an Acquisition Conversion Notice (or, as the case may be, a new Acquisition Conversion Notice) on or before the 25th Business Day prior to the immediately succeeding Distribution Payment Date which is at least 25 Business Days after the date on which the Deferred Acquisition Conversion Notice was given.

The Acquisition Conversion Notice given in accordance with paragraph (c) above must otherwise comply with the requirements in clause 7.3.

If this clause 7.5 applies but:

  (i) clause 7.4 applies in respect of the Distribution Payment Date referred to in paragraph (c) such that no Acquisition Conversion Notice (or, as the case may be, no new Acquisition Conversion Notice) is given under this clause 7.5; or

  (ii) an Acquisition Conversion Notice (or, as the case may be, a new Acquisition Conversion Notice) is given under this clause 7.5 and, if the Acquisition Conversion Date specified in the Acquisition Conversion Notice were a Relevant Date for the purposes of clause 4.2, either the Second Mandatory Conversion Condition or the Third Mandatory Conversion Condition would not be satisfied in respect of that date,

then this clause 7.5 will be reapplied in respect of each subsequent Distribution Payment Date until a Conversion occurs.

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8 Conversion mechanics

8.1 Conversion

If Suncorp elects to Convert Capital Notes or must Convert Capital Notes in accordance with these Capital Notes Terms, then, subject to this clause 8, the following provisions shall apply:

(a) Suncorp will allot and issue on the Mandatory Conversion Date, the Trigger Event Date, the Exchange Date or the Acquisition Conversion Date (as the case may be) a number of Ordinary Shares in respect of each Capital Note held by the Holder equal to the Conversion Number, where the Conversion Number is a number calculated according to the following formula (subject always to the Conversion Number being no more than the Maximum Conversion Number):

$$\textbf{Conversion Number} = \frac{\textbf{Issue Price}}{99\% \times \textbf{VWAP}}$$

where:

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

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

$$\text{Maximum Conversion Number} = \frac{\textbf{Issue Price}}{(\textbf{Issue Date VWAP} \times \textbf{Relevant Fraction})}$$

where **Relevant Fraction** means:

(i) in the case of a Mandatory Conversion, 0.5;

(ii) in the case of any other Conversion, 0.2;

(b) each Holder's rights (including to payment of Redemption Price and Distributions other than the Distribution, if any, payable on a date (other than a Trigger Event Date) on which Conversion is required to occur) in relation to each Capital Note that is being Converted will be immediately and irrevocably terminated in full for an amount equal to the Issue Price of that Capital Note and Suncorp will apply that amount by way of payment for subscription for the Ordinary Shares to be allotted and issued under clause 8.1. 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 no Holder has any right to payment in any other way;

(c) if the total number of Ordinary Shares to be allotted and issued to a Holder in respect of that Holder's aggregate holding of Capital Notes upon Conversion includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded; and

(d) the rights attaching to Ordinary Shares issued as a result of Conversion do not take effect until 5.00pm Australian Eastern Standard time on the Mandatory Conversion Date, the Exchange Date or the Acquisition Conversion Date (as the case may be) or, in the case of a Conversion on the Trigger Event Date, the time at which such Conversion occurs on that date.

8.2 Adjustments to VWAP

For the purposes of calculating the VWAP in these Capital Notes Terms:

(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 Capital Notes will Convert into Ordinary Shares after the date those Ordinary Shares no longer carry that dividend or any 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 shall be reduced by an amount (the **Cum Value**) equal to:

(i) (in case of a dividend or other distribution), the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount referable to the franking credit that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Tax Act;

(ii) (in the case of any entitlement that is not a dividend or other distribution for which an adjustment is made under clause 8.2(a)(i) which is traded on ASX on any of those Business Days), the volume weighted average sale price of all such entitlements sold on ASX during the VWAP Period on the Business Days on which those entitlements were traded; or

(iii) (in the case of any other entitlement which is not traded on ASX during the VWAP Period), the value of the entitlement as reasonably determined by Suncorp; and

(b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted on ASX as ex dividend or ex any other distribution or entitlement, and Capital Notes will Convert into Ordinary Shares which would be entitled to receive the relevant dividend or other distribution or entitlement would be payable, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall 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 in the number of Ordinary Shares on issue as a result of a Reorganisation, in calculating the VWAP for that VWAP Period the daily VWAP applicable on each day in the relevant 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:

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

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.

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8.4 Adjustments to Issue Date VWAP

For the purposes of determining the Issue Date VWAP, adjustments to VWAP will be made 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 Suncorp in accordance with clauses 8.5 to 8.7 (inclusive); and

(b) if so made, will correspondingly:

(i) affect the application of the Mandatory Conversion Conditions and the Optional Conversion Restrictions; and

(ii) cause an adjustment to the Maximum Conversion Number.

8.5 Adjustments to Issue Date VWAP for bonus issues

(a) Subject to clause 8.5(b) and 8.5(c), if at any time after the Issue Date Suncorp makes a *pro rata* bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP will be adjusted in accordance with the following formula:

$$\mathbf{V} = \mathbf{V_o} \times \frac{\mathbf{RD}}{\mathbf{RD} + \mathbf{RN}}$$

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 clause 8.5(a), an issue will be regarded as a *pro rata* issue notwithstanding that Suncorp does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing Suncorp is not in contravention of 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 Suncorp 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 any Holder.

8.6 Adjustment to Issue Date VWAP for divisions and similar transactions

(a) If at any time after the Issue Date there is a change in the number of Ordinary Shares on issue as a result of a Reorganisation, Suncorp 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:

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

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.

(b) Each Holder acknowledges that Suncorp 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 of any Holder.

8.7 No adjustment to Issue Date VWAP in certain circumstances

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

8.8 Certain provisions relating to adjustments

(a) Suncorp will notify the Trustee and Holders (an **Adjustment Notice**) of any adjustment to the Issue Date VWAP under this clause 8 within 10 Business Days of Suncorp 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 Capital Notes Terms and these Capital Notes Terms will be construed accordingly.

8.9 Ordinary Shares

Each Ordinary Share issued upon Conversion ranks *pari passu* with all other fully paid Ordinary Shares.

8.10 Foreign Holders

Where Capital Notes held by a Foreign Holder are to be Converted, unless Suncorp is satisfied that the laws of the Foreign Holder's country of residence permit the issue of Ordinary Shares to the Foreign Holder (but as to which Suncorp is not bound to enquire), either unconditionally or after compliance with conditions which Suncorp in its absolute discretion regards as acceptable and not unduly onerous, the Ordinary Shares which the Foreign Holder is obliged to accept will, subject to clause 5.5, be issued to the Trustee or other nominee appointed by Suncorp (which must not be a Related Entity of Suncorp) who will sell those Ordinary Shares and pay a cash amount equal to the Proceeds to the Foreign Holder accordingly.

8.11 Conversion where the Holder does not wish to receive Ordinary Shares

If Suncorp has elected or is required to Convert Capital Notes and the Holder has notified Suncorp that it does not wish to receive Ordinary Shares as a result of Conversion, which notice may be given by the Holder at any time on or after the Issue Date and no less than 15 Business Days prior to the date scheduled for Conversion then, on the date for Conversion, the number of Ordinary Shares which that Holder is obliged to accept will be issued to the Trustee or other nominee appointed by Suncorp (which must not be a Related Entity of Suncorp) who will sell that number of Ordinary Shares and pay a cash amount equal to the Proceeds to the relevant Holder.

8.12 FATCA withholding

Where a FATCA Withholding is required to be made in respect of Ordinary Shares issued on Conversion of Capital Notes, or where Suncorp has reasonable grounds to suspect that a FATCA Withholding would be required to be made in respect of Ordinary Shares issued on Conversion of Capital Notes, the Ordinary Shares which the Holder is obliged to accept will be issued to the Holder of the Capital Note only to the extent (if at all) that the issue is net of FATCA Withholding and Suncorp will issue the balance of the Ordinary Shares (if any) to the Trustee or other nominee appointed by Suncorp (which must not be a Related Entity of Suncorp) who will sell those Ordinary Shares and pay a cash amount equal to the Proceeds, net of any FATCA Withholding, to the Holder.

8.13 No duty on sale

For the purposes of clauses 8.10 and 8.11:

(a) the issue of Ordinary Shares to the Trustee or other nominee satisfies the obligation of Suncorp to issue Ordinary Shares in connection with the Conversion and on and from the issue of those Ordinary Shares, the rights of a Holder the subject of, as applicable, clause 8.10 or 8.11 in respect of those Ordinary Shares are limited to its rights in respect of the Proceeds as provided in, as applicable, clause 8.10 or 8.11; and

(b) Neither Suncorp nor the Trustee nor other nominee appointed by Suncorp owes any obligations or duties to the Holders in relation to the price for which, or other Capital Notes Terms on which, Ordinary Shares are sold and neither Suncorp nor the Trustee or other nominee appointed by Suncorp has any liability for any loss suffered by a Holder as a result of the sale of Ordinary Shares.

8.14 Listing Ordinary Shares issued on Conversion

Suncorp shall use all reasonable endeavours to list the Ordinary Shares issued upon Conversion of Capital Notes on ASX.

9 Redemption mechanics

9.1 Redemption mechanics to apply to Redemption

If, subject to APRA's prior written approval and compliance with the conditions in clause 6.4, Suncorp elects to Redeem Capital Notes in accordance with these Capital Notes Terms, the provisions of this clause 9 apply to that Redemption.

Holders should not assume that APRA's approval will be given for any Redemption of Capital Notes under these Capital Notes Terms.

9.2 Redemption

(a) Capital Notes will be Redeemed by payment on the Exchange Date of an amount equal to the Issue Price (the **Redemption Price**) to the Holder.

(b) Redemption may occur even if Suncorp, in its absolute discretion, does not pay a Distribution for the final (or any other) Distribution Period.

9.3 Effect of Redemption on Holders

On the Exchange Date the only right Holders will have in respect of Capital Notes will be to obtain the Redemption Price payable in accordance with these Capital Notes Terms and upon payment of the Redemption Price, all other rights conferred, or restrictions imposed, by Capital Notes will no longer have effect.

10 Resale mechanics

10.1 Resale mechanics

If, subject to APRA's prior written approval, Suncorp elects to Resell Capital Notes in accordance with these Capital Notes Terms, the provisions of this clause 10 apply to that Resale.

10.2 Appointment of Nominated Purchaser

Suncorp must appoint one or more Nominated Purchasers for the Resale on such terms as may be agreed between Suncorp and the Nominated Purchasers. If Suncorp appoints more than one Nominated Purchaser in respect of a Resale, all or any of the Capital Notes held by a Holder which are being Resold may be purchased by any one or any combination of the Nominated Purchasers, as determined by Suncorp for the Resale Price.

The obligation of a Nominated Purchaser to pay the Resale Price on the Exchange Date may be subject to such conditions as Suncorp may reasonably determine.

10.3 Identity of Nominated Purchasers

Suncorp may not appoint a person as a Nominated Purchaser unless that person:

(a) has undertaken on such terms and subject to such conditions as Suncorp reasonably determines for the benefit of each Holder to acquire each Capital Note from each Holder for the Resale Price on the Exchange Date;

(b) has a long term counterparty credit rating from one of Standard & Poor's, Moody's or Fitch of not less than investment grade; and

(c) is not a Related Entity of Suncorp.

10.4 Irrevocable offer to sell Capital Notes

Each Holder on the Exchange Date is taken irrevocably to offer to sell Capital Notes the subject of a Resale to the Nominated Purchaser or Nominated Purchasers on the Exchange Date for the Resale Price.

10.5 Effect of Resale

On the Exchange Date subject to payment by the Nominated Purchaser of the Resale Price to the Holders, all right, title and interest in such Capital Notes (excluding the right to any Distribution payable on that date) will be transferred to the Nominated Purchaser free from Encumbrances.

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10.6 Effect of failure by Nominated Purchaser or Nominated Purchasers to pay

If a Nominated Purchaser does not pay the Resale Price to the Holders on the Exchange Date (a **Defaulting Nominated Purchaser**) (whether as a result of a condition to purchase not being satisfied or otherwise):

(a) the Exchange Notice as it relates to the Defaulting Nominated Purchaser will be void;

(b) Capital Notes will not be transferred to the Defaulting Nominated Purchaser on the Exchange Date; and

(c) Holders will continue to hold the Capital Notes referable to the Defaulting Nominated Purchaser until they are otherwise Redeemed, Converted or Resold in accordance with these Capital Notes Terms.

11 General rights

11.1 No set-off or offsetting rights

A Holder:

(a) may not exercise any right of set-off against Suncorp in respect of any claim by Suncorp against that Holder; and

(b) will have no offsetting rights or claims on Suncorp if Suncorp does not pay a Distribution when scheduled under these Capital Notes Terms.

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

11.2 No security

Capital Notes are unsecured.

11.3 Power of attorney

(a) Each Holder appoints each of Suncorp, its officers and any External Administrator of Suncorp (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 to:

  (i) effect any transfers of Capital Notes or make any entry in the Register in connection with any Conversion, Redemption or Resale; or

  (ii) facilitate the performance or observance of the obligations of the Holder arising in connection with any such Conversion, Redemption or Resale.

(b) The power of attorney given in this clause 11.3 is given for valuable consideration and to secure the performance by the Holder of the Holder's obligations under these Capital Notes Terms and is irrevocable.

11.4 Holder acknowledgments

Each Holder irrevocably:

(a) upon Conversion of Capital Notes in accordance with clause 4 and clause 8, consents to becoming a member of Suncorp and agrees to be bound by the Constitution, in each case in respect of the Ordinary Shares issued on Conversion;

(b) acknowledges and agrees that it is obliged to accept Ordinary Shares upon a Conversion notwithstanding anything that might otherwise affect a Conversion of Capital Notes including:

  (i) any change in the financial position of Suncorp since the Issue Date;

  (ii) any disruption to the market or potential market for the Ordinary Shares or to capital markets generally;

  (iii) any breach by Suncorp of any obligation in connection with Capital Notes; or

  (iv) any dispute as to the occurrence of a Non-Viability Trigger Event;

(c) acknowledges and agrees that:

  (i) where clause 5.2 applies:

    (A) there are no other conditions to a Non-Viability Conversion occurring as and when provided in clauses 5.1 to 5.4 (inclusive);

    (B) Conversion must occur immediately on the Trigger Event Date and that Conversion or Write-Off may result in disruption or failures in trading or dealings in Capital Notes;

    (C) it will not have any rights to vote in respect of any Non-Viability Conversion; and

    (D) the Ordinary Shares issued on Non-Viability Conversion may not be quoted at the time of issue, or at all;

  (ii) the only conditions to a Mandatory Conversion are the Mandatory Conversion Conditions;

  (iii) the only conditions to a Conversion on account of an Exchange under clause 6 or a Conversion under clause 7 are the conditions expressly applicable to such Conversion as provided in clauses 6 and 7 of these Capital Notes Terms and no other conditions or events will affect Conversion; and

  (iv) clauses 5.4 and 5.5 are fundamental terms and where clause 5.5 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 Write-Off;

(d) agrees to provide to Suncorp any information necessary to give effect to a Conversion and, if applicable, to surrender any certificate relating to Capital Notes on the occurrence of the Conversion;

(e) acknowledges and agrees that Suncorp may from time to time, without the consent of any Holder:

  (i) issue any securities ranking equally with the Capital Notes (on the same terms or otherwise) or ranking in priority or junior to the Capital Notes;

  (ii) redeem, buy back, return capital on or convert any securities other than Capital Notes at any time except where expressly prevented from doing so under clause 3.7;

  (iii) subject to APRA's prior written consent, purchase or procure the purchase of Capital Notes from Holders at any time and at any price. Any Capital Note purchased by or on behalf of Suncorp shall be cancelled; and

  (iv) incur or guarantee any indebtedness upon such terms as it may think fit in its sole discretion; and

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(f) acknowledges and agrees that:

(i) a Holder has no right to request a Conversion, Redemption or Resale of any Capital Notes or to determine the Exchange Method;

(ii) a Holder has no right to apply for Suncorp to be wound up, or placed in administration, or to cause a receiver, or a receiver and manager, to be appointed in respect of Suncorp merely on the grounds that Suncorp does not or is or may become unable to pay a Distribution when scheduled in respect of Capital Notes;

(iii) these Capital Notes Terms contain no events of default. Accordingly (but without limitation) failure to pay in full, for any reason, a Distribution on a scheduled Distribution Payment Date will not constitute an event of default; and

(iv) it has no remedy on account of a failure by Suncorp to issue Ordinary Shares to a Holder, the Trustee or other nominee in accordance with these Capital Notes Terms other than (and subject always to clauses 5.4 and 5.5) to seek specific performance of the obligation to issue Ordinary Shares.

11.5 No other rights

Capital Notes confer no rights on a Holder:

(a) to participate in the profits or property of Suncorp, except as set out in these Capital Notes Terms; or

(b) to subscribe for new securities in Suncorp or to participate in any bonus issues of shares in Suncorp's capital.

12 Voting rights and meetings

12.1 No voting rights

Prior to Conversion, Holders will not be entitled to vote at or attend any general meeting of Suncorp.

12.2 Meetings of the Holders

The Trust Deed contains provisions for convening meetings of the Holders to consider any matter affecting their interests including certain amendments of these Capital Notes Terms which require the consent of the Holders. Suncorp:

(a) may convene a meeting at any time; and

(b) must call a meeting of Holders:

(i) on request in writing of the Holders who together hold 10% or more of the aggregate Issue Price of all Capital Notes outstanding (determined disregarding any Capital Notes held beneficially by Suncorp or any member of the Group); and

(ii) in any other case required by the Corporations Act.

12.3 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, whether or not they are present at the meeting.

13 Takeovers and schemes of arrangement

If:

(a) a takeover bid is made for Ordinary Shares, acceptance of which is recommended by the Directors; or

(b) the Directors recommend a scheme of arrangement in respect of the Ordinary Shares of Suncorp which will result in a person other than Suncorp having a relevant interest in more than 50% of the Ordinary Shares,

in each case which would result in an Acquisition Event then, if the Directors consider that:

(c) Suncorp will not be permitted to elect to Exchange the Capital Notes in accordance with clause 6 or to Convert the Capital Notes in accordance with clause 7; or

(d) the Second Mandatory Conversion Condition or the Third Mandatory Conversion Condition will not be satisfied in respect of the Acquisition Conversion Date in accordance with clause 7,

the Directors will use all reasonable endeavours to procure that equivalent takeover offers are made to Holders or that they are entitled to participate in the scheme of arrangement or a similar transaction.

14 Title and transfer of Notes

14.1 Title

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

14.2 Effect of entries in Register

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

(a) a separate and independent acknowledgment to the relevant Holder of the obligations of Suncorp to the relevant Holder; and

(b) conclusive evidence that the person so entered is the absolute owner of the Capital Note subject to correction for fraud or error.

14.3 Non-recognition of interests

(a) Except as required by law, Suncorp, the Trustee and the Registrar must treat the person whose name is entered in the Register as the Holder of a Capital Note as the absolute owner of that Capital Note. This clause 14.3 applies whether or not payment has not been made as scheduled in respect of a Capital Note and despite any notice of ownership, trust or interest in the Capital Note.

(b) No notice of any trust, Encumbrance or other interest in, or claim to any Capital Note will be entered in the Register.

14.4 Joint Holders

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

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14.5 Transfers in whole

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

14.6 Transfer

(a) A Holder may transfer a Capital Note:

(i) while the Capital Note is lodged in CHESS, in accordance with the ASX Settlement Operating Rules;

(ii) at any other time:

(A) by a proper transfer under any other computerised or electronic system recognised by the Corporations Act; or

(B) by any proper or sufficient instrument of transfer of marketable securities under applicable law.

(b) The Registrar must register a transfer of a Capital Note to or by a person who is entitled to make or receive the transfer as a consequence of:

(i) death, bankruptcy, liquidation, mental incapacity or winding-up of a Holder; or

(ii) a vesting order by a court or other body with power to make the order on receiving the evidence that the Registrar or Suncorp requires.

14.7 Market obligations

Suncorp must comply with all Applicable Regulations and any other relevant obligations imposed on it in relation to the transfer of a Capital Note.

14.8 Suncorp may request holding lock or refuse to register transfer

If Notes are quoted on ASX, and if permitted to do so by the ASX Listing Rules and the Corporations Act, Suncorp may:

(a) request the operator of CHESS or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of Capital Notes approved by and registered on the operator's electronic sub-register or Notes registered on an issuer-sponsored sub-register, as the case may be; or

(b) refuse to register a transfer of Capital Notes.

14.9 Suncorp must request holding lock or refuse to register transfer

(a) Suncorp must request the operator of CHESS or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of Capital Notes approved by and registered on the operator's electronic sub-register or Notes registered on an issuer-sponsored sub-register, as the case may be, if the Corporations Act, the ASX Listing Rules or the terms of a Restriction Agreement require Suncorp to do so.

(b) Suncorp must refuse to register any transfer of Capital Notes if the Corporations Act, the ASX Listing Rules or the terms of a Restriction Agreement require Suncorp to do so, and may only refuse to register a transfer if such transfer would contravene or is forbidden by Applicable Regulation or these Capital Notes Terms or it is otherwise permitted to do so under the Trust Deed.

(c) During a breach of the ASX Listing Rules relating to Restricted Securities, or a breach of a Restriction Agreement, the Holder of the Restricted Securities is not entitled to any interest (or other distribution on), or voting rights in respect of, the Restricted Securities.

14.10 Notice of holding locks and refusal to register transfer

If, in the exercise of its rights under clauses 14.8 and 14.9, Suncorp requests the application of a holding lock to prevent a transfer of Capital Notes or refuses to register a transfer of Capital Notes, it must, within 5 Business Days after the date the holding lock is requested or the refusal to register a transfer, give written notice of the request or refusal to the Holder, to the transferee and the broker lodging the transfer, if any. Failure to give such notice does not, however, invalidate the decision of Suncorp.

14.11 Delivery of instrument

If an instrument is used to transfer Capital Notes according to clause 14.6, 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 Capital Notes.

14.12 Effect of transfer

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under the Trust Deed and these Capital Notes Terms in respect of the transferred Capital Notes and the transferee becomes so entitled.

14.13 Transfer of unidentified Notes

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

15 Payments and other matters

15.1 Manner of payment

Monies payable by Suncorp to a Holder in respect of a Capital Note will be paid in dollars in any manner Suncorp decides from time to time, including by any method of direct credit determined by Suncorp to an Australian dollar bank account maintained by the Holder in Australia (or in such other place as Suncorp approves) with a financial institution specified by the Holder to the Registrar by the close of business:

(a) in the case of a payment of a Distribution, on the Record Date for that payment; and

(b) in the case of the payment of the Redemption Price, by the time determined by Suncorp and notified to ASX or as required by ASX.

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15.2 Holders entitled to payment

Monies payable by Suncorp in respect of a Capital Note shall be paid:

(a) in the case of a payment of a Distribution, to the Holder appearing in the Register at the close of business on the Record Date; and

(b) in the case of a payment of the Redemption Price, to the Holder appearing in the Register at 10:00am Australian Eastern Standard time on the Exchange Date,

in each case unless otherwise required by the ASX Listing Rules.

15.3 Unsuccessful attempts to pay

Subject to applicable law and the ASX Listing Rules, where:

(a) a Holder has not notified the Registrar by the time required in accordance with clause 15.1 of an Australian dollar bank account maintained by the Holder in Australia (or in such other place as Suncorp approves) with a financial institution to which payments in respect of a Capital Note may be made; or

(b) Suncorp attempts to pay an amount to a Holder by direct credit, electronic transfer of funds or any other means and the transfer is unsuccessful for any reason,

the amount is to be held by or on behalf of Suncorp for the Holder without bearing interest until the first to occur of the following:

(i) the Holder or any legal personal representative of the Holder notifies Suncorp of a suitable Australian dollar bank account maintained in Australia with a financial institution to which the payment may be credited;

(ii) claims may no longer be made in respect of that amount, in which case those moneys or equivalent securities shall become the property of Suncorp; or

(iii) Suncorp becomes entitled or obliged to deal with the amount according to the legislation relating to unclaimed moneys.

Where this clause 15.3 applies the amount payable in respect of a Capital Note shall be treated as having been paid on the date scheduled for payment.

15.4 Payment to joint Holders

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

15.5 Time limit for claims

A claim against Suncorp for payment according to these Capital Notes Terms is void, to the fullest extent permitted by applicable law, unless made within five years of the date for payment.

15.6 Calculations and rounding of payments

Unless otherwise specified in these Capital Notes Terms:

(a) all percentages resulting from calculations required under these Capital Notes Terms must be rounded, if necessary, to the nearest ten-thousandth of a percentage point;

(b) all calculations of amounts payable in respect of a Capital Note will be rounded to four decimal places; and

(c) for the purposes of making payment to a Holder in respect of the Holder's aggregate holding of Capital Notes, any fraction of a cent will be disregarded.

15.7 Deductions

(a) Suncorp may deduct from any amount payable in respect of Capital Notes the amount of any withholding or other tax, duty or levy required by law or by any administrative practice or procedure of any authority to be deducted in respect of such amount. If any such deduction has been made and the amount of the deduction accounted for by Suncorp to the relevant revenue authority and the balance of the amount payable has been paid to the relevant Holder, then the full amount payable to such Holder shall be deemed to have been duly paid and satisfied by Suncorp.

(b) Suncorp shall pay the full amount required to be deducted to the relevant revenue authority within the time allowed for such payment without incurring any penalty under the applicable law and shall, if required by any Holder, deliver to that Holder the relevant receipt issued by the revenue authority after it is received by Suncorp.

15.8 FATCA

Without limiting clause 15.7, Suncorp may withhold or make deductions from payments or from the issue of Ordinary Shares to a Holder or (where clause 8.10 or clause 8.11 apply) to the Trustee or other nominee where it is required to do so under or in connection with FATCA, or where it has reasonable grounds to suspect that the Holder or a beneficial owner of Capital 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 FATCA, Suncorp will not be required to pay any further amounts or 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, where applicable, the Trustee or other nominee) or a beneficial owner of Capital Notes for or in respect of any such withholding or deduction. A dealing with such payment and any Ordinary Shares in accordance with FATCA satisfies Suncorp's obligations to that Holder to the extent of the amount of that payment or issue of Ordinary Shares.

16 Winding-up and subordination

16.1 Winding-up

If an order of a court of competent jurisdiction is made (other than an order successfully appealed or permanently stayed within 60 days), or an effective resolution is passed, for the winding-up of Suncorp in Australia (but not elsewhere) (a **Winding-up Event**), Suncorp is liable to Redeem each Capital Note for its Redemption Price in accordance with, and subject to, this clause 16.

16.2 Subordination

In a winding-up of Suncorp in Australia, subject to clause 5.5 and clause 17:

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(a) the Trustee (and the Holder) shall be entitled to prove for the Redemption Price in respect of a Capital Note only subject to, and contingent upon, the prior payment in full of the Senior Ranking Creditors; and

(b) the Trustee's (and the Holder's) claim for payment of the Redemption Price ranks equally with, and shall be paid in proportion to, the claims of Holders of other instruments issued as Equal Ranking Instruments,

so that each Holder receives, for the Capital Note, an amount equal to the amount it would have received if, in the winding-up of Suncorp, it had held an issued and fully paid Preference Share.

16.3 Agreements of Holders and Trustee as to subordination

Each Holder (and the Trustee, in its capacity as trustee for the Holders) irrevocably agrees:

(a) that clause 16.2 is a debt subordination for the purposes of section 563C of the Corporations Act;

(b) that it does not have, and waives to the maximum extent permitted by law, any entitlement to interest under section 563B of the Corporations Act to the extent that a holder of a Preference Share would not be entitled to such interest;

(c) that it shall not have, and is taken to have waived, to the fullest extent permitted by law, any right to prove in a winding-up or administration of Suncorp as a creditor in respect of the Capital Notes so as to diminish any distribution of property or assets, dividend or payment that any Senior Ranking Creditor would otherwise receive;

(d) not to exercise any voting rights or other rights as a creditor in the winding-up or administration of Suncorp in any jurisdiction:

  (i) until after all Senior Ranking Creditors have been paid in full; and

  (ii) in a manner to defeat the subordination provided for by clause 2 and clause 16.2;

(e) that it must pay or deliver to the liquidator or administrator any amount or asset received on account of its claim in the winding-up or administration of Suncorp in respect of the Capital Notes in excess of its entitlement under clause 2 and clause 16.2;

(f) that it must pay in full all liabilities it owes Suncorp before it may receive any amount or asset on account of its claim in the winding-up or administration in respect of a Capital Note;

(g) that the debt subordination effected by clause 2 and clause 16.2 is not affected by any act or omission of any person which might otherwise affect it at law or in equity; and

(h) that it has no remedy for the recovery of the Redemption Price other than to prove in the winding-up in accordance with this clause 16.

16.4 Shortfall on winding-up

If, upon a winding-up of Suncorp, there are insufficient funds to pay in full the Redemption Price and the amounts payable in respect of any other Equal Ranking Instruments, Holders and the holders of any such other Equally Ranking Instruments will share in any distribution of assets of Suncorp in proportion to the amounts to which they are entitled respectively.

16.5 No participation in surplus assets

Capital Notes do not confer on their Holders any further right to participate in the surplus assets of Suncorp on a winding-up beyond payment of the Redemption Price.

16.6 No consent of Senior Ranking Creditors

Nothing in clause 2 or this clause shall be taken:

(a) to require the consent of any Senior Ranking Creditor to any amendment of these Capital Notes Terms; or

(b) to create a charge or security interest over any right of a Holder or the Trustee.

17 Enforcement

17.1 Enforcement by Trustee

Subject to clause 17.2, only the Trustee may enforce the provisions of the Trust Deed or these Capital Notes Terms. The Trustee shall not be bound to take any action under these Capital Notes Terms or the Trust Deed to enforce the obligations of Suncorp in respect of the Capital Notes or any other proceedings or action pursuant to or in connection with the Trust Deed or the Capital Notes unless:

(a) it shall have been so directed by a Special Resolution of Holders or so requested in writing by the Holders holding Capital Notes representing at least 15% of the aggregate Issue Price of all Capital Notes then outstanding; and

(b) it shall have been indemnified in accordance with clause 6.4 of the Trust Deed.

17.2 Holder's right to take action

No Holder shall be entitled to proceed directly against Suncorp to enforce any right or remedy under or in respect of any Capital Note or the Trust Deed (including by way of proving for the Redemption Price in a winding-up of Suncorp) unless the Trustee, having become bound to proceed, fails to do so within 14 days and the failure is continuing, in which case any Holder may itself institute proceedings against Suncorp for the relevant remedy to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so.

18 Amendment of the Trust Deed and these Capital Notes Terms

18.1 Amendments without consent

Subject to complying with all applicable laws and subject to APRA's prior written approval where required in accordance with clause 18.3, Suncorp may, with the approval of the Trustee (such approval not to be unreasonably withheld or delayed), amend the Trust Deed and these Capital Notes Terms without the approval of Holders if:

(a) Suncorp is of the opinion that the amendment:

  (i) is of a formal, technical or minor nature;

  (ii) is made to cure any ambiguity or correct any manifest error;

  (iii) is necessary or expedient for the purposes of enabling Capital Notes to be:

    (A) listed, or to retain quotation, on any securities exchange (including, without limitation, in connection with any change in the principal securities exchange on which Ordinary Shares are listed);

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(B) lodged in a clearing system or to remain lodged in a clearing system; or

(C) offered for subscription or for sale under the laws for the time being in force in any place;

(iv) is necessary to comply with:

(A) the provisions of any statute or the requirements of any statutory authority; or

(B) the ASX Listing Rules or the listing or quotation requirements of any securities exchange on which Suncorp may propose to seek a listing of Capital Notes;

(v) is made in accordance with Suncorp's adjustment rights in clause 8;

(vi) amends any date or time period stated, required or permitted in connection with any Mandatory Conversion, Non-Viability Conversion or Exchange in a manner necessary or desirable to facilitate the Mandatory Conversion, Non-Viability Conversion or Exchange without such amendment resulting in material prejudice to the interests of Holders as a whole (including without limitation where in connection with a Redemption the proceeds of Redemption are to be reinvested in a new security to be issued by Suncorp or a Related Entity);

(vii) is made to:

(A) alter the terms of any Capital Notes to align them with any Relevant Securities issued after the date of such Capital Notes and is necessary or desirable to enable Suncorp to continue to treat such Capital Notes as Eligible Additional Tier 1 Capital; or

(B) alter the definition of "Relevant Securities", "Equal Ranking Instruments" or "Eligible Additional Tier 1 Capital" on account of the issue (after the Issue Date) of capital instruments of Suncorp or the Group; or

(b) generally, in any case, where in Suncorp's reasonable opinion, the amendment is not likely (taken as a whole and in conjunction with all other amendments or actions, if any, to be made at or about the time of that amendment) to be materially prejudicial to the interests of 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 individual Holders (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 Suncorp.

18.2 Amendments with consent

Without limiting clause 18.1, Suncorp may, with the approval of the Trustee (such approval not to be unreasonably withheld or delayed), and with APRA's prior written approval where required in accordance with clause 18.3, amend the Trust Deed and these Capital Notes Terms if the amendment has been approved by a Special Resolution.

18.3 Requirement for APRA approval

A requirement in this clause 18 for an amendment to be made with APRA's prior written approval applies only where the amendment may affect the eligibility of Capital Notes as Eligible Additional Tier 1 Capital.

18.4 Meaning of amend and amendment

In this clause 18, **amend** includes modify, cancel, alter or add to and **amendment** has a corresponding meaning.

19 Notices

19.1 Notices to Holders

A notice or other communication is properly given by Suncorp, the Trustee or the Registrar to a Holder if it is:

(a) in writing signed on behalf of Suncorp, the Trustee or the Registrar (as applicable) (by original or printed signature);

(b) addressed to the person to whom it is to be given; and

(c) either:

(i) delivered personally;

(ii) sent by pre-paid mail to that person's address as shown in the Register; or

(iii) sent by electronic message to the electronic address (if any) nominated by that person.

19.2 Delivery of certain notices

Notwithstanding clause 19.1, a Non-Conversion Notice, a Deferred Conversion Notice, a Deferred Acquisition Conversion Notice, an Exchange Notice, an Acquisition Event Notice, an Acquisition Conversion Notice, an Adjustment Notice, a Trigger Event Notice, a Suncorp Details Notice, Trustee Details Notice or a Registrar Details Notice may each be given to Holders by Suncorp publishing the notice on its website and announcing the publication of the notice to ASX.

19.3 When notices to Holders take effect

Notices or other communications from Suncorp, the Trustee or the Registrar to Holders take effect on the day the notice or communication was delivered, sent or published on Suncorp's website (as applicable under clauses 19.1 and 19.2).

19.4 Non-receipt of notice by a Holder

The non-receipt of a notice or other communication by a Holder or an accidental omission to give notice to a Holder will not invalidate the giving of that notice either in respect of that Holder or generally.

19.5 Notices to Suncorp

A notice or other communication given to Suncorp, the Trustee or the Registrar in connection with Capital Notes must be:

(a) in legible writing or typing and in English;

(b) addressed as shown below:

(i) in the case of Suncorp:

Attention: Company Secretary

Address: Level 23
80 Ann Street
Brisbane QLD 4000
Australia

or

Email: **investor.relations@suncorp.com.au**

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

(ii) in the case of the Trustee:

Attention: Relationship Manager

Address: Certane CT Pty Ltd (ABN 12 106 424 088)

Level 6, 80 Clarence Street,
Sydney NSW 2000, Australia

Email: ct.notes@certane.com

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

(iii) in the case of the Registrar:

Attention: Link Market Services Limited

Address: PO Box A50
Sydney South NSW 1235
Australia

or

Email: suncorp@linkmarketservices.com.au

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

(c) (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

(d) delivered or posted by prepaid post or sent by email to the email address in each case in accordance with clause 19.5(b).

19.6 When notices to take effect

Notices or other communications from Holders to Suncorp, the Trustee or the Registrar take effect from the time they are received or taken to be received unless a later time is specified in them.

19.7 Deemed receipt of notices

A letter or email is taken to be received:

(a) in the case of a posted letter, on the sixth day (or the tenth day, if posted to or from a place outside Australia) after posting; and

(b) in the case of an email, when the sender receives an automated message confirming delivery.

Despite paragraphs (a) and (b), if a letter or email is received after 5:00pm in the place of receipt or on a day which is not a Business Day, it is taken to be received at 9:00am on the next Business Day.

20 Quotation on ASX

Suncorp must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure, at its own expense, quotation of Capital Notes on ASX.

21 Governing law and jurisdiction

21.1 Governing law

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

21.2 Jurisdiction

Suncorp 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 Capital Notes Terms.

22 Interpretation and definitions

22.1 Interpretation

(a) Unless otherwise specified, a reference to a clause is a reference to a clause of these Capital Notes Terms.

(b) If a calculation is required under these Capital Notes Terms, unless the contrary intention is expressed, the calculation will be rounded to four decimal places.

(c) The Capital Notes Terms “takeover bid”, “relevant interest” and “scheme of arrangement” when used in Capital Notes Terms have the meaning given in the Corporations Act.

(d) Headings and boldings are for convenience only and do not affect the interpretation of these Capital Notes Terms.

(e) The singular includes the plural and vice versa.

(f) A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.

(g) Other than:

(i) in relation to a Non-Viability Trigger Event and a Conversion or Write-Off, in each case on account of a Non-Viability Trigger Event; and

(ii) where a contrary intention is expressed,

if an event under these Capital Notes Terms must occur on a stipulated day which is not a Business Day, then the stipulated day will be taken to be the next Business Day.

(h) A reference to dollars, AUD, A$, $ or cents is a reference to the lawful currency of Australia.

(i) Any reference to any requirements of APRA or any other prudential regulatory requirements in these Capital Notes Terms will apply or be operative with respect to Suncorp only if Suncorp is an entity, or the holding company of an entity, or is a direct or indirect subsidiary of a holding company, which is subject to regulation and supervision by APRA at the relevant time.

(j) Any requirement for APRA’s consent or approval in any provision of these Capital Notes Terms will apply only if APRA requires that such consent or approval be given at the relevant time.

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(k) A reference to any term defined by APRA (including, without limitation, "Additional Tier 1 Capital" and "Tier 1 Capital") shall, if that term is replaced or superseded in any of APRA's applicable prudential regulatory requirements or standards, be taken to be a reference to the replacement or equivalent term.

(l) A reference to a term defined by the ASX Listing Rules, the ASX Settlement Operating Rules or the ASX Operating Rules shall, if that term is replaced in those rules, be taken to be a reference to the replacement term.

(m) 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, ASX 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 Capital Notes Terms in such rules (as the case may be).

(n) So long as the Capital Notes are quoted on ASX and entered into CHESS, the Capital Notes Terms are to be interpreted in a manner consistent with the ASX Listing Rules, ASX Settlement Operating Rules and ASX Operating Rules except to the extent that an interpretation consistent with those rules may affect the eligibility of the Capital Notes as Eligible Additional Tier 1 Capital.

(o) Calculations, elections and determinations made by Suncorp under these Capital Notes Terms are binding on Holders in the absence of manifest or proven error.

(p) Where under these Capital Notes Terms, APRA approval is required, for any act to be done or not done, that term does not imply that APRA approval has been given as at the Issue Date.

22.2 Definitions for Capital Notes Terms

Acquisition Conversion Date has the meaning given in clause 7.3.

Acquisition Conversion Notice has the meaning given in clause 7.2.

Acquisition Event means:

(a) either:

(i) a takeover bid is made to acquire all or some Ordinary Shares and the offer is, or becomes, unconditional and:

(A) the bidder has a relevant interest in more than 50% of the Ordinary Shares on issue; or

(B) the Directors issue a statement that at least a majority of Suncorp's directors who are eligible to do so recommend acceptance of the offer (which may be stated to be in the absence of a higher offer); or

(ii) a court approves a scheme of arrangement which, when implemented, will result in a person other than Suncorp having a relevant interest in more than 50% of Ordinary Shares; and

(b) all regulatory approvals necessary for the acquisition to occur have been obtained.

Acquisition Event Notice has the meaning given in clause 7.1.

Additional Tier 1 Capital means Additional Tier 1 capital as defined by APRA from time to time.

Adjustment Notice has the meaning given in clause 8.8.

Applicable Regulation means such provisions of the ASX Listing Rules, the ASX Settlement Operating Rules, the ASX Operating Rules, the Corporations Act and any regulations or rules pursuant under or pursuant to any such provisions as may be applicable to the transfer of a Capital Note.

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

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, or any successor.

ASX Listing Rules means the listing rules of ASX as amended, varied or waived (whether in respect of Suncorp or generally) from time to time.

ASX Operating Rules means the market operating rules of ASX as amended, varied or waived (whether in respect of Suncorp 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 11.3.

Bank Bill Rate has the meaning given in clause 3.1.

Bookbuild means the process conducted prior to the opening of the Offer whereby certain investors lodged bids for Capital Notes and, on the basis of those bids, Suncorp and the joint lead managers to the Offer determined the Margin.

Business Day means:

(a) a business day as defined in the ASX Listing Rules; and

(b) for the purposes of determining any Acquisition Conversion Date, Deferred Conversion Date, Mandatory Conversion Date, Exchange Date or Optional Exchange Date, or any Distribution Payment Date or the calculation or payment of a Distribution or of any other sum, a day on which banks are open for general business in Sydney, New South Wales.

Buy-Back means a transaction involving the acquisition by Suncorp of Ordinary Shares pursuant to an offer made at Suncorp's discretion in any way permitted by the provisions of Part 2J of the Corporations Act.

Capital Note means a perpetual, convertible, subordinated and unsecured debt obligation in the form of an unsecured note of Suncorp constituted by, and owing under, the Trust Deed.

Capital Notes 2 means the $375,000,000 perpetual, convertible, subordinated and unsecured notes issued on or about 24 November 2017 by Suncorp pursuant to a prospectus dated 31 October 2017.

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Capital Notes 3 means the $389,000,000 perpetual, convertible, subordinated and unsecured notes issued on or about 17 December 2019 by Suncorp pursuant to a prospectus dated 19 November 2019.

Capital Notes 4 means the $405,000,000 perpetual, convertible, subordinated and unsecured notes issued on or about 23 September 2021 by Suncorp pursuant to a prospectus dated 7 September 2021.

Capital Notes Terms means these terms of issue of Capital Notes.

Capital Reduction means a reduction in capital initiated by Suncorp in its discretion in respect of Ordinary Shares in any way permitted by the provisions of Part 2J of the Corporations Act.

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 the Capital Notes (including in respect of the transfer or Conversion of the Capital Notes).

Constitution means the constitution of Suncorp as amended from time to time.

Control has the meaning given in the Corporations Act.

Controlled Entity means, in respect of Suncorp, an entity Suncorp Controls.

Conversion means, in relation to a Capital Note, the allotment and issue of Ordinary Shares and the termination of the Holder's rights in relation to that Capital Note, in each case in accordance with clause 8, and **Convert**, **Converted** and **Converting** have corresponding meanings.

Conversion Number has the meaning given in clause 8.1.

Conversion Test Date Percentage has the meaning given in clause 4.3.

Corporations Act means the *Corporations Act 2001* (Cth).

Cum Value has the meaning given in clause 8.2.

Defaulting Nominated Purchaser has the meaning given in clause 10.6.

Deferred Acquisition Conversion Notice has the meaning given in clause 7.5.

Deferred Conversion Date has the meaning given in clause 6.6.

Deferred Conversion Notice has the meaning given in clause 6.6.

Delisting Event means, in respect of a date, that:

(a) Suncorp has ceased to be listed or Ordinary Shares have ceased to be quoted on ASX on or before that date (and where the cessation occurred before that date, Suncorp or the Ordinary Shares continue not to be listed or quoted (as applicable) on that date);

(b) trading of Ordinary Shares on ASX is suspended for a period of consecutive days which includes:

  (i) at least five consecutive Business Days prior to that date; and

  (ii) that date; or

(c) an Inability Event subsists.

Directors means some or all of the directors of Suncorp acting as a board.

Distribution has the meaning given in clause 3.

Distribution Payment Date has the meaning given in clause 3.5 whether or not a Distribution is, or is able to be, paid on that date.

Distribution Period means in respect of:

(a) the first Distribution Period, the period from (and including) the Issue Date until (but not including) the first Distribution Payment Date after the Issue Date; and

(b) each subsequent Distribution Period, the period from (and including) the preceding Distribution Payment Date until (but not including) the next Distribution Payment Date.

Distribution Rate has the meaning given in clause 3.1.

Eligible Additional Tier 1 Capital means:

(a) "Eligible Additional Tier 1 Capital" as defined in Suncorp's authority to be a non-operating holding company of a general insurer dated 30 November 2010 and varied on 4 October 2022 (as further amended, supplemented, varied or replaced from time to time) or any successor requirement as designated by APRA;

(b) eligible to fund Additional Tier 1 Capital of a Regulated Entity within the Group; or

(c) if Suncorp becomes the head of a Level 2 insurance group (as defined in APRA's prudential standards), Additional Tier 1 Capital of that group.

Encumbrance means any mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement, any other security agreement or security arrangement (including any security interest under the *Personal Property Securities Act 2009* (Cth)) and any other arrangement of any kind having the same effect as any of the foregoing other than liens arising by operation of law.

Equal Ranking Instruments means, in respect of the repayment or return of capital in a winding-up:

(a) Capital Notes 2;

(b) Capital Notes 3;

(c) Capital Notes 4;

(d) each other preference share that Suncorp may issue that ranks or is expressed to rank equally with the foregoing and the Capital Notes in respect of the return of capital in a winding-up of Suncorp; and

(e) any securities or other instruments that rank or are expressed to rank in respect of repayment or return of capital in a winding-up equally with those preference shares and the Capital Notes.

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Exchange means:

(a) Conversion in accordance with and subject to clause 8;

(b) Redemption in accordance with and subject to clause 9;

(c) Resale in accordance with and subject to clause 10; or

(d) a combination of two or more of Conversion, Redemption or Resale in accordance with clause 6.3(b),

and **Exchanged** has a corresponding meaning.

Exchange Date has the meaning given in clause 6.2(b).

Exchange Method has the meaning given in clause 6.3.

Exchange Notice has the meaning given in clause 6.1.

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.

FATCA means:

(a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 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 imposed or required pursuant to FATCA.

First Mandatory Conversion Condition has the meaning given in clause 4.3.

First Optional Conversion Restriction has the meaning given in clause 6.5.

First Test Date means, with respect to a Relevant Date, the 25th Business Day immediately preceding (but not including) that Relevant Date**,** provided that if no trading in Ordinary Shares took place on that date, the First Test Date shall be the first Business Day before the 25th Business Day immediately preceding (but not including) the Relevant Date on which trading in Ordinary Shares took place.

First Test Date Percentage has the meaning given in clause 4.3.

Fitch means Fitch Australia Pty Ltd (ABN 93 081 339 184) and its successors and assigns.

Foreign Holder means a Holder whose address in the Register is a place outside Australia or who Suncorp otherwise believes may not be a resident of Australia.

Franking Rate (expressed as a decimal) means the franking percentage (within the meaning of Part 3-6 of the Tax Act or any provisions that revise or replace that Part) applicable to the franking account of Suncorp at the relevant Distribution Payment Date.

Group means Suncorp and each of its Subsidiaries.

Holder means a person whose name is registered in the Register as the holder of a Capital Note.

Inability Event means Suncorp 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 Suncorp) or any other reason from Converting the Capital Notes.

Insurance Act means the *Insurance Act 1973* (Cth).

Issue Date means the date on which Capital Notes are issued.

Issue Date VWAP means the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place on ASX immediately preceding (but not including) the Issue Date, as adjusted in accordance with clauses 8.4 to 8.7 (inclusive).

Issue Price has the meaning given in clause 1.3.

Mandatory Conversion means the mandatory conversion of Capital Notes to Ordinary Shares on the Mandatory Conversion Date in accordance with clause 4.

Mandatory Conversion Conditions has the meaning given in clause 4.3.

Mandatory Conversion Date has the meaning given in clause 4.2.

Margin has the meaning given in clause 3.1.

Maximum Conversion Number has the meaning given in clause 8.1.

Meeting Provisions means the provisions for meetings of the Holders set out in schedule 2 to the Trust Deed.

Moody's means Moody's Investors Service Pty Limited (ABN 61 003 399 657) and its successors and assigns.

Nominated Purchasers means, subject to clause 10.3, one or more third parties selected by Suncorp in its absolute discretion.

Non-Conversion Notice has the meaning given in clause 4.4.

Non-Conversion Test Date has the meaning given in clause 6.5.

Non-Viability Conversion means the Conversion of Capital Notes to Ordinary Shares on the Trigger Event Date in accordance with clause 5.2.

Non-Viability Determination has the meaning given in clause 5.1.

Non-Viability Trigger Event has the meaning given in clause 5.1.

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Offer means the invitation under the Prospectus made by Suncorp for persons to subscribe for Capital Notes.

Optional Conversion Restrictions has the meaning given in clause 6.5.

Optional Exchange Date means 17 June 2030, 17 September 2030 or 17 December 2030.

Ordinary Share means a fully paid ordinary share in the capital of Suncorp.

Ordinary Share Dividend means any interim, final or special dividend payable in accordance with the Corporations Act and the Constitution of Suncorp in relation to Ordinary Shares.

a **Payment Condition** will exist with respect to the payment of a Distribution on the Capital Notes on a Distribution Payment Date if:

(a) unless APRA otherwise approves in writing, paying the Distribution on the Distribution Payment Date would result in Suncorp not complying with APRA's then current prudential capital requirements as they are applied to the Group at the time;

(b) paying the Distribution on the Distribution Payment Date would result in Suncorp becoming, or being likely to become, insolvent for the purposes of the Corporations Act; or

(c) APRA objects to the Distribution payment on the Capital Notes on the Distribution Payment Date.

Potential Acquisition Event means:

(a) an event within paragraph (a) of the definition of Acquisition Event occurs (without the need that all regulatory approvals necessary for the acquisition to occur have been obtained); or

(b) a court orders the holding of meetings to approve a scheme of arrangement under Part 5.1 of the Corporations Act and the scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares that will be on issue after the scheme is implemented.

Preference Share means a notional preference share in the capital of Suncorp conferring a claim in the winding-up of Suncorp equal to the Redemption Price and ranking in respect of return of capital in the winding-up ahead only of Ordinary Shares and equally with Equal Ranking Instruments.

Proceeds means the net proceeds of a sale of Ordinary Shares attributable to the Holder actually received by the Trustee or other nominee calculated after deduction of any applicable brokerage, stamp duty and other taxes and charges, including the Trustee or other nominee's reasonable out of pocket costs, expenses and charges properly incurred by it or on its behalf in connection with such sale from the sale price of the Ordinary Shares.

Prospectus means the prospectus for the Offer including these Capital Notes Terms.

Rate Disruption Adviser means a reputable financial institution (not being Suncorp or a Related Entity of Suncorp) dealing in debt securities in the Australian market for debt securities, selected by Suncorp in good faith.

Rate Disruption Event has the meaning given in clause 3.1.

Record Date means, for a Distribution:

(a) the date which is 10 Business Days before the Distribution Payment Date for that Distribution (or, in the case of the first Distribution Payment Date, if the Issue Date is less than 10 Business Days before the first Distribution Payment Date, the Issue Date); or

(b) such other date as may be required by, or determined by Suncorp and agreed with ASX.

Redeem means, in relation to a Capital Note, redeem the Capital Note in accordance with clause 9 and **Redeemed** and **Redemption** have corresponding meanings.

Redemption Price has the meaning given in clause 9.2.

Register means a register of Capital Notes maintained by or on behalf of Suncorp in accordance with the Trust Deed and including any subregister established and maintained in CHESS under Applicable Regulation.

Registrar means Link Market Services Limited (ABN 54 083 214 537) or any other person appointed by Suncorp to maintain the Register and perform any payment and other duties as specified in that agreement.

Registrar Details Notice has the meaning given in clause 19.5(b)(iii).

Regulated Entity means a general insurer under the Insurance Act, any authorised non-operating holding company of such an 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 has been or 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 regulations 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 Suncorp to come into effect) (each, a **Regulatory Change**), additional requirements (which are more than *de minimis*) would be imposed on Suncorp or there would be a more than *de minimis* negative impact on Suncorp in relation to or in connection with Capital Notes which the Directors determine, acting reasonably, to be materially adverse to Suncorp; or

(b) the determination by the Directors that, as a result of a Regulatory Change, Suncorp is not or will not be entitled to treat some or all Capital Notes as Eligible Additional Tier 1 Capital, except where the reason Suncorp is not or will not be entitled to treat some or all Capital Notes as Eligible Additional Tier 1 Capital 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 Suncorp may come into effect.

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Related Entity has the meaning given by APRA from time to time.

Relevant Date has the meaning given in clause 4.2.

Relevant Distribution Payment Date has the meaning given in clause 3.7.

Relevant Fraction has the meaning given in clause 8.1.

Relevant Security means a subordinated instrument (other than an Ordinary Share) issued by Suncorp or another member of the Group with no fixed maturity date which:

(a) in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written-off upon the occurrence of a Non-Viability Trigger Event where APRA makes a determination as referred to in clause 5.1; and

(b) constitutes Eligible Additional Tier 1 Capital of Suncorp or the Group as at the date of its issue,

and includes, for so long as they are on issue, Capital Notes 2, Capital Notes 3, Capital Notes 4 and the Capital Notes.

Reorganisation means, in relation to Suncorp, a division, consolidation or reclassification of Suncorp's share capital not involving any cash payment or other distribution (or consideration) to or by holders of Ordinary Shares.

Replacement Rate has the meaning given in clause 3.1.

Resale means, in relation to a Capital Note, subject to amendment in accordance with clause 18.1(a)(vi), the taking effect of the rights specified in clause 10 in relation to that Capital Notes, and **Resold** and **Resell** have corresponding meanings.

Resale Price means, for a Capital Note, a cash amount equal to its Issue Price.

Restricted Securities has the same meaning as in the ASX Listing Rules and extends to Notes which are subject to voluntary restrictions by agreement between Suncorp and one or more Holders.

Restriction Agreement means an agreement which is required to be concluded under Chapter 9 of the ASX Listing Rules or is voluntarily concluded between Suncorp and one or more Holders.

Scheduled Mandatory Conversion Date has the meaning given in clause 4.2.

Second Mandatory Conversion Condition has the meaning given in clause 4.3.

Second Optional Conversion Restriction has the meaning given in clause 6.5.

Second Test Period has the meaning given in clause 4.3.

Senior Ranking Creditors means all creditors of Suncorp (present and future), including all investors in Suncorp's senior or subordinated debt whose claims are:

(a) entitled to be admitted in a winding-up of Suncorp; and

(b) not in respect of Ordinary Shares or Equal Ranking Instruments,

and includes, for so long as they are on issue, the Suncorp Wholesale Subordinated Notes.

Special Resolution means a resolution passed at a meeting of Holders by a majority of at least 75% of the votes validly cast by Holders in person or by proxy and entitled to vote on the resolution.

Standard & Poor's means S&P Global Ratings Australia Pty Ltd (ABN 62 007 324 852) and its successors and assigns.

Subsequent Mandatory Conversion Date has the meaning given in clause 4.2.

Subsidiary has the meaning given in the Corporations Act.

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

Suncorp Details Notice has the meaning given in clause 19.5(b)(i).

Suncorp Shares means Ordinary Shares or any other shares in the capital of Suncorp.

Suncorp Wholesale Subordinated Notes means the Suncorp Wholesale Subordinated Notes 2, the Suncorp Wholesale Subordinated Notes 3, the Suncorp Wholesale Subordinated Notes 4 and the Suncorp Wholesale Subordinated Notes 5.

Suncorp Wholesale Subordinated Notes 2 means the $250,000,000 subordinated notes issued on or about 1 September 2020 by Suncorp.

Suncorp Wholesale Subordinated Notes 3 means the A$290,000,000 unsecured and subordinated notes issued on 5 April 2022 by Suncorp.

Suncorp Wholesale Subordinated Notes 4 means the A$250,000,000 unsecured and subordinated notes issued on 1 March 2023 by Suncorp.

Suncorp Wholesale Subordinated Notes 5 means the A$600,000,000 unsecured and subordinated notes issued on 27 September 2023 by Suncorp.

Tax Act means:

(a) the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) as the case may be and a reference to any section of the Income *Tax Assessment Act 1936* (Cth) includes a reference to that section as rewritten in the *Income Tax Assessment Act 1997* (Cth); and

(b) any other Act setting the rate of income tax payable and any regulation promulgated under it.

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 or advice (including a failure or refusal to provide a ruling or advice), regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) affecting taxation (**Administrative Action**);

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(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 Capital 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, challenge or Administrative Action is made known, which amendment, clarification, change, challenge or Administrative Action is effective, or which pronouncement or decision is announced, on or after the Issue Date and which is not expected by Suncorp on the Issue Date, there is more than an insubstantial risk which the Directors determine, acting reasonably, to be unacceptable that:

(i) Suncorp would not be entitled to treat any Distribution as a frankable distribution within the meaning of Division 202 of the Tax Act (or would only be able to do so subject to requirements which the Directors determine, acting reasonably, to be unacceptable); or

(ii) Suncorp 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) in relation to Capital Notes.

Third Mandatory Conversion Condition has the meaning given in clause 4.3.

Tier 1 Capital means Tier 1 capital as defined by APRA from time to time.

Trigger Event Date means the date on which APRA notifies Suncorp of a Non-Viability Trigger Event as contemplated in clause 5.1.

Trigger Event Notice has the meaning given in clause 5.2.

Trust Deed means the deed entitled "Suncorp Capital Notes 5 Trust Deed" dated on or about 16 April 2024 between Suncorp and the Trustee.

Trustee means Certane CT Pty Ltd (ABN 12 106 424 088) and includes any successor.

Trustee Details Notice has the meaning given in clause 19.5(b)(ii).

VWAP means, subject to any adjustments under clause 8, the average of the daily volume weighted average sale prices (such average being rounded to the nearest full cent) of Ordinary Shares sold on ASX during the relevant period or on the relevant days 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 or trades pursuant to the exercise of options over Ordinary Shares.

VWAP Period means:

(a) in the case of a Conversion resulting from a Potential Acquisition Event or an Acquisition Event, the lesser of:

(i) 20 Business Days on which trading in Ordinary Shares takes place on ASX; and

(ii) the number of Business Days on which trading in Ordinary Shares takes place that the Ordinary Shares are quoted for trading on ASX after the occurrence of the Potential Acquisition Event or Acquisition Event (as the case may be),

in each case immediately preceding (but not including) the Business Day before the Exchange Date or Acquisition Conversion Date in respect of that event (as the case may be);

(b) in the case of a Conversion resulting from 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;

(c) in the case of any other Conversion, the period of 20 Business Days on which trading in Ordinary Shares took place on ASX immediately preceding (but not including) the date on which Conversion is to occur in accordance with these Capital Notes Terms; or

(d) otherwise, the period for which VWAP is to be calculated in accordance with these Capital Notes Terms.

Winding-up Event means the making of a court order or passing of an effective resolution for the winding-up of Suncorp as described in clause 16.1.

Written-Off has the meaning given in clause 5.5 and **Write-Off** has a corresponding meaning.

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Appendix B — Glossary

This Appendix provides a glossary of key terms and abbreviations used throughout this Prospectus and the attached, or accompanying, Application Forms. There is also a list of defined terms in Clause 22.2 of the Terms immediately prior to this Glossary.

Term	Meaning
AAI	AAI Limited (ABN 48 005 297 807).
ABN	Australian Business Number.
ACCC	Australian Competition and Consumer Commission.
ACMA	Australian Communications and Media Authority.
Acquisition Conversion Date	Has the meaning given in Clause 7.3 of the Terms.
Acquisition Conversion Notice	Has the meaning given in Clause 7.2 of the Terms.
Acquisition Event	Has the meaning given in Clause 22.2 of the Terms.
Acquisition Event Notice	Has the meaning given in Clause 7.1 of the Terms.
Additional Tier 1 Capital	Additional Tier 1 capital as defined by APRA from time to time.
ADI	Australian authorised deposit-taking institution as defined in the Banking Act.
AEST	Australian Eastern Standard Time
AFCA	Australian Financial Complaints Authority.
AFSL	Australian Financial Services Licence.
AML	Anti-Money Laundering.
AML/CTF	Anti-Money Laundering and Counter-Terrorism Financing.
ANZ	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).
Applicant	A person who submits an Application.
Application	A valid application for a specified number of Capital Notes 5 made to a Syndicate Broker.
Application Form	Each of the electronic application forms attached to, or accompanying, this Prospectus upon which an Application may be made.
Application Payment	The monies payable on each Application, calculated as the number of Capital Notes 5 applied for multiplied by the Issue Price.
APRA	Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for the prudential regulation of Suncorp.
APRA Discussion Paper	The Discussion Paper released by APRA in September 2023 entitled “Discussion Paper – Enhancing bank resilience: Additional Tier 1 Capital in Australia”, described in Section 5.4.
Arranger	UBS AG Australia Branch (ABN 47 088 129 613).
ASIC	Australian Securities and Investments Commission.
ASO	Australian Sanctions Office.
ASX	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, or any successor.
ASX Listing Rules	The listing rules of ASX, as amended, varied or waived (whether in respect of Suncorp or generally) from time to time.
ATO	Australian Taxation Office.
AUSTRAC	Australian Transaction Reports and Analysis Centre.
Australian Accounting Standards	The accounting standards as developed and issued by the Australian Accounting Standards Board.
Bank Bill Rate	Has the meaning described in Section 2.1.3. For the full definition – see Clause 3.1 of the Terms.

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Term	Meaning
Banking Act	*Banking Act 1959* (Cth).
Board or Board of Directors	The board of Directors of Suncorp.
Bookbuild	The process described in Section 7 to determine the Margin.
Business Day	Generally, a business day as defined in the ASX Listing Rules and, for certain purposes, a day on which banks are open for general business in Sydney, New South Wales. For the full definition – see Clause 22.2 of the Terms.
Buy-Back	Has the meaning given in Clause 22.2 of the Terms.
Capital Notes 2 or CN2	The perpetual, convertible, subordinated and unsecured debt obligations in the form of unsecured notes, which will mandatorily convert into Ordinary Shares (subject to certain conditions being satisfied) and which were issued by Suncorp on 24 November 2017 under a prospectus dated 31 October 2017 (which replaced a prospectus dated 23 October 2017) and constituted by the trust deed between Suncorp and Australian Executor Trustees Limited (ABN 84 007 869 794) dated 23 October 2017.
Capital Notes 2 Exchange Notice	The 'Exchange Notice' (as that term is defined in the Capital Notes 2 Terms) issued by Suncorp in accordance with the Capital Notes 2 Terms on the date of the Original Prospectus.
Capital Notes 2 Holder	In relation to a Capital Note 2, the person whose name is registered in the Register as the holder of a Capital Note 2.
Capital Notes 2 Nominated Purchaser	UBS (or permitted successor).
Capital Notes 2 Resale Proceeds	$100 per Participating Capital Note 2 acquired by the Capital Notes 2 Nominated Purchaser pursuant to the Capital Notes 2 Exchange Notice.
Capital Notes 2 Terms	Terms and conditions of the Capital Notes 2, as amended effective as of date.
Capital Notes 3 or CN3	The perpetual, convertible, subordinated and unsecured debt obligations in the form of unsecured notes, which will mandatorily convert into Ordinary Shares (subject to certain conditions being satisfied) and which were issued by Suncorp on 17 December 2019 under a prospectus dated 19 November 2019 (which replaced a prospectus dated 11 November 2019) and constituted by the trust deed between Suncorp and Sargon CT Pty Limited (ABN 12 106 424 088) dated 11 November 2019.
Capital Notes 4 or CN4	The perpetual, convertible, subordinated and unsecured debt obligations in the form of unsecured notes, which will mandatorily convert into Ordinary Shares (subject to certain conditions being satisfied) and which were issued by Suncorp on 23 September 2021 under a prospectus dated 7 September 2021 (which replaced a prospectus dated 30 August 2021) and constituted by the trust deed between Suncorp and Certane CT Pty Ltd (ABN 12 106 424 088) dated 30 August 2021.
Capital Notes 5	Perpetual, convertible, subordinated and unsecured debt obligations in the form of unsecured notes, which will Mandatorily Convert into Ordinary Shares (subject to certain conditions being satisfied) and which are to be issued by Suncorp on the Issue Date under this Prospectus and constituted by the Trust Deed.
Capital Notes 5 Target Market	The class of Retail Investors that comprises the target market for Capital Notes 5 as set out in the TMD and described in Section 7.
Capital Reduction	Has the meaning given in Clause 22.2 of the Terms.
CHESS	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 Capital Notes 5 (including in respect of the transfer or Conversion of the Capital Notes).
Closing Date	The last date by which Applications must be lodged for the Offer, expected to be: 5:00pm (AEST) on 9 May 2024

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Term	Meaning
Co-Managers	JBWere Limited, LGT Crestone Wealth Management Limited, Wilson Advisory and Stockbroking Limited.
Commonwealth Bank of Australia	Commonwealth Bank of Australia (ABN 48 123 123 124, AFSL 234945).
CET1 Capital or CET1	Common Equity Tier 1 Capital as defined by APRA from time to time.
CN2 Exchange	Conversion, redemption or resale of Capital Notes 2 at Suncorp's option on 17 June 2024.
Constitution	The constitution of Suncorp, as amended from time to time.
Conversion	The conversion of Capital Notes 5 into Ordinary Shares and the termination of the relevant Holders' rights in relation to that Capital Note 5 in accordance with Clause 8 of the Terms. Convert, Converting and Converted have corresponding meanings. For a full definition, see Clause 22.2 of the Terms.
Conversion Number	Has the meaning given in Clause 8.1 of the Terms.
Conversion Test Date Percentage	Has the meaning given in Clause 4.3 of the Terms.
Corporations Act	*Corporations Act 2001* (Cth).
CRS	Has the meaning given in Section 6.1.28.
DDO Regime	The design and distribution obligations regime contained in Part 7.8A of the *Corporations Act*.
Deferred Conversion Date	Has the meaning given in Clause 6.6 of the Terms.
Delisting Event	Has the meaning described in Section 2.2.4. For the full definition – see Clause 22.2 of the Terms.
Directors	Some, or all, of the directors of Suncorp acting as a board or the individuals who are the directors of Suncorp (as the context requires).
Distribution	Has the meaning given in Clause 3 of the Terms.
Distribution Payment Date	In respect of a Capital Note 5, 17 September 2024 and, after that, each 17 March, 17 June, 17 September and 17 December until the date that the Capital Note 5 is Redeemed or Converted. For the full definition – see Clause 3.5 of the Terms.
Distribution Period	A period from (and including) the Issue Date until (but not including) the first Distribution Payment Date or from (and including) a subsequent Distribution Payment Date until (but not including) the next Distribution Payment Date. For the full definition – see Clause 22.2 of the Terms.
Distribution Rate	The distribution rate on Capital Notes 5 calculated using the formula described in Section 2.1.2. For the full definition – see Clause 3.1 of the Terms.
Distribution Restriction	The restriction is discussed in Section 2.1.8. For the full definition – see Clauses 3.7 and 3.8 of the Terms.
Eligible Additional Tier 1 Capital	Means: – 'Eligible Additional Tier 1 Capital' as defined in Suncorp's authority to be a NOHC of a general insurer dated 30 November 2010 and varied on 4 October 2022 (as further amended, supplemented, varied or replaced from time to time) or any successor requirement, as designated by APRA; – eligible to fund Additional Tier 1 Capital of a Regulated Entity within the Suncorp Group; or – if Suncorp becomes the head of a Level 2 insurance group (as defined in APRA's prudential standards), Additional Tier 1 Capital of that group.

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Term	Meaning
Eligible Capital Notes 2 Holder	A Capital Notes 2 Holder who is registered as a holder of Capital Notes 2 at 7:00pm (AEST) on 8 April 2024 and, unless otherwise determined by Suncorp, is: – shown on the Capital Notes 2 register as having an address in Australia; – not an individual residing in a member state of the European Union; – not in the United States or acting as a nominee for, or for the account or benefit of, a person in the United States or are not otherwise prevented from receiving the invitation to participate in the Reinvestment Offer or receiving Capital Notes 5 under the laws of any jurisdiction; and – an Institutional Investor or a client of a Syndicate Broker who is either a Wholesale Client or a Retail Investor who has received personal advice from a qualified financial adviser (who is acceptable to a Syndicate Broker) as to whether they are within the Capital Notes 5 Target Market.
Equal Ranking Instruments	Means, in respect of the repayment or return of capital in a Winding-up: – Capital Notes 2; – Capital Notes 3; – Capital Notes 4; – each other preference share that Suncorp may issue that ranks or is expressed to rank equally with the foregoing and Capital Notes 5 in respect of the return of capital in a Winding-up of Suncorp; and – any securities or other instruments that rank or are expressed to rank, in respect of repayment or return of capital in a Winding-up, equally with those preference shares and Capital Notes 5.
Exchange	Means: – Conversion in accordance with and subject to Clause 8 of the Terms; – Redemption in accordance with and subject to Clause 9 of the Terms; – Resale in accordance with and subject to Clause 10 of the Terms; or – a combination of two or more of Conversion, Redemption or Resale in accordance with Clause 6.3(b) of the Terms, and Exchanged has a corresponding meaning.
Exchange Date	The date on which Exchange is to occur. For the full definition—see Clause 6.2(b) of the Terms.
Exchange Method	The means by which Exchange is effected. For the full definition—see Clause 6.3 of the Terms.
Exchange Notice	A notice issued by Suncorp to the Trustee and Holders under Clause 6.1 of the Terms.
Expiry Date	The date which is 13 months after 16 April 2024.
Exposure Period	The seven day period after the date the Original Prospectus was lodged with ASIC, during which the Corporations Act prohibits the processing of Applications.
External Administrator	Has the meaning given in Clause 22.2 of the Terms.
FATCA	(a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 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	Any deduction or withholding imposed or required pursuant to FATCA.

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Term	Meaning
FCCPoA	Financial Crime Compliance Program of Action.
Financial Claims Scheme	The scheme established under Division 2AA of Part II of the Banking Act.
First Mandatory Conversion Condition	Has the meaning described in Section 2.2.4. For the full definition—see Clause 4.3 of the Terms.
First Pro Rata Distribution	The Distribution accrued over the period from (and including) 18 March 2024 to (but excluding) the Reinvestment Date, in respect of each Capital Note 2 on issue, expected to be paid on the Reinvestment Date, being 14 May 2024.
First Test Date Percentage	Has the meaning described in Section 2.3.3. For the full definition—see Clause 4.3 of the Terms.
FMA	The Financial Markets Authority of New Zealand.
Foreign Holder	Has the meaning given in Section 2.7.9. For a full definition—see Clause 22.2 of the Terms.
Franking Rate	Has the meaning given in Clause 22.2 of the Terms.
FWO	The Fair Work Ombudsman of Australia.
GST	Has the meaning given by section 195-1 of the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
Holder	A person whose name is registered in the Register as the holder of a Capital Note 5.
Holding Statement	A statement issued to Holders by the Registry, which sets out details of Capital Notes 5 issued to them under the Offer.
ICAAP	The Suncorp Group's Internal Capital Adequacy Assessment Process.
Inability Event	Suncorp 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 Suncorp) or by any other reason from Converting Capital Notes 5. Inability Event is discussed in Sections 2.4.9 and 6.1.12.
Institutional Investor	An investor to whom offers or invitations in respect of Capital Notes 5 can be made without the need for a lodged prospectus (or other formality, other than a formality which Suncorp is willing to comply with), including, in Australia, to a person who is a Wholesale Client and to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act, and who were invited by the Joint Lead Managers to bid for Capital Notes 5 in the Bookbuild, provided that such investor is not in the United States or acting for the account or benefit of a person in the United States.
Insurance Act	*Insurance Act 1973* (Cth).
Issue Date	The date on which Capital Notes 5 are issued, which is expected to be 14 May 2024.
Issue Date VWAP	The volume weighted average price (VWAP) during the period of 20 Business Days on which trading in Ordinary Shares took place on ASX immediately preceding (but not including) the Issue Date, as adjusted in accordance with Clauses 8.4 to 8.7 (inclusive) of the Terms.
Issue Price	The issue price for each Capital Note 5 under this Prospectus, being $100 per Capital Note 5.
JBWere	JBWere Limited (ABN 68 137 978 360, AFSL 341162).
Joint Lead Managers	Commonwealth Bank of Australia, Morgans, National Australia Bank, UBS and Westpac Institutional Bank.

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Term	Meaning
LGT Crestone Wealth Management	LGT Crestone Wealth Management Limited (ABN 50 005 311 937).
Life Insurance Act	*Life Insurance Act 1995* (Cth).
Mandatory Conversion	The mandatory conversion of Capital Notes 5 to Ordinary Shares on the Mandatory Conversion Date in accordance with Clause 4 of the Terms.
Mandatory Conversion Conditions	Has the meaning given in Section 2.2.4. For the full definition – see Clause 4.3 of the Terms.
Mandatory Conversion Date	The earlier of 17 December 2032 and the next Distribution Payment Date after that date on which the Mandatory Conversion Conditions are satisfied. For the full definition – see Clause 4.2 of the Terms.
Margin	2.80% per annum as determined under the Bookbuild. For the full definition—see Clause 3.1 of the Terms.
Maximum Conversion Number	The maximum number of Ordinary Shares a Holder can receive upon Conversion. For the full definition—see Clause 8.1 of the Terms.
Morgans	Morgans Financial Limited (ABN 49 010 669 726, AFSL 235410).
National Australia Bank	National Australia Bank Limited (ABN 12 004 044 937, AFSL 230686).
New Money Offer	The offer made to eligible clients of the Syndicate Brokers and Institutional Investors, to apply for a new investment in Capital Notes 5 (i.e. not under the Reinvestment Offer).
NOHC	Non-Operating Holding Company.
Nominated Purchaser	Has the meaning given in Clause 22.2 of the Terms.
Non-Viability Conversion	The Conversion of Capital Notes 5 to Ordinary Shares on the Trigger Event Date as per Section 2.4.
Non-Viability Determination	Non-Viability Determination is discussed in Section 1.1 and 2.4. For the full definition—see Clause 5.1 of the Terms.
Non-Viability Trigger Event	Non-Viability Trigger Event is discussed in Section 2.4 and 6.1.12. For the full definition—see Clause 5.1 of the Terms.
OAIC	Office of the Australian Information Commissioner.
Offer	The offer by Suncorp of Capital Notes 5 under this Prospectus to raise $360 million with the ability to raise more or less, and which includes the New Money Offer and the Reinvestment Offer.
Offer Information Line	1300 882 012 (within Australia) or +61 2 8767 1219 (outside Australia) Monday to Friday 8:30am to 7:30pm (AEST).
Offer Management Agreement	The offer management agreement entered into between Suncorp, the Arranger and the Joint Lead Managers, as described in Section 9.8.
Offer Period	The period from the Opening Date to the Closing Date.
Opening Date	The day the Offer opens, being 24 April 2024 unless varied.
Optional Conversion Restrictions	The 'Restrictions on choosing to Convert' described in Section 2.3.3. For the full definition – see Clause 6.5 of the Terms.
Optional Exchange Date	17 June 2030, 17 September 2030 or 17 December 2030
Ordinary Resolution	Broadly, a resolution passed at a meeting of Holders by more than 50% of the persons voting on a show of hands (unless a poll is duly demanded, in which case by a majority consisting of more than 50% of the votes cast), or a written resolution passed by Holders representing more than 50% of the principal amount of Capital Notes 5 outstanding.

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Term	Meaning
Ordinary Share	A fully paid ordinary share in the capital of Suncorp.
Ordinary Share Dividend	Any interim, final or special dividend payable in accordance with the Corporations Act and the Constitution of Suncorp in relation to Ordinary Shares.
Original Prospectus	The prospectus dated 16 April 2024 and lodged with ASIC on that date, which this Prospectus replaces.
Participating Capital Notes 2	Capital Notes 2 which are (or are to be) reinvested in Capital Notes 5 under the Reinvestment Offer.
Payment Condition	Has the meaning described in Section 2.1.7. For the full definition – see Clause 22.2 of the Terms.
PIP Regime	The product intervention order regime in Part 7.9A of the *Corporations Act*.
Potential Acquisition Event	Has the meaning described in Section 2.3.2. For the full definition – see Clause 22.2 of the Terms.
Privacy Act	*Privacy Act 1988* (Cth).
Proposed Bank Sale	Has the meaning described in Section 4.3.
Prospectus	This document and any supplementary or replacement prospectus in relation to this document.
Rate Disruption Adviser	Has the meaning given in Clause 22.2 of the Terms.
Rate Disruption Event	Has the meaning described in Section 2.1.3. For the full definition – see Clause 3.1 of the Terms.
RBA	Reserve Bank of Australia.
RBNZ	Reserve Bank of New Zealand.
Redeem	In relation to a Capital Note 5, redeem the Capital Note 5 in accordance with Clause 9 of the Terms. Redeemed and Redemption have corresponding meanings.
Redemption Price	Has the meaning given in Clause 9.2 of the Terms.
Register	Has the meaning given in Clause 22.2 of the Terms.
Registrar or Registry	Has the meaning given to Registrar in Clause 22.2 of the Terms.
Regulated Entity	An authorised general insurer under the Insurance Act, an authorised deposit-taking institution under the Banking Act or other prudentially regulated entity.
Regulatory Event	Broadly, occurs when: – Suncorp receives legal advice that, as a result of a change of law or regulation on or after the Issue Date (not expected by Suncorp on the Issue Date), additional requirements (which are more than insignificant) would be imposed on Suncorp in relation to Capital Notes 5, which the Directors determine acting reasonably to be materially adverse to Suncorp; or – the Directors determine that, as a result of such change, Suncorp is not or will not be entitled to treat some or all Capital Notes 5 as Eligible Additional Tier 1 Capital, except where this is because of a prudential limit or other restriction on that treatment which is in effect on the Issue Date or which on the Issue Date is expected by Suncorp may come into effect. For the full definition—see Clause 22.2 of the Terms.
Reinvestment Date	14 May 2024
Reinvestment Offer	The invitation to Eligible Capital Notes 2 Holders to apply through their Syndicate Broker to have their Capital Notes 2 Resale Proceeds reinvested in Capital Notes 5 under this Prospectus.

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Term	Meaning
Related Entity	Has the meaning given in Clause 22.2 of the Terms.
Relevant Distribution Payment Date	A Distribution Payment Date if, for any reason, a Distribution has not been paid in full on that date.
Relevant Fraction	Relevant Fraction is discussed in Section 2.2.5. For the full definition—see Clause 8.1 of the Terms.
Relevant Security	A subordinated instrument (other than an Ordinary Share) issued by Suncorp, or another member of the Suncorp Group, with no fixed maturity date, which: – in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written-off following a Non-Viability Trigger Event; and – constitutes Eligible Additional Tier 1 Capital of Suncorp 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, Capital Notes 4 and Capital Notes 5.
Replacement Rate	Has the meaning described in Section 2.1.3. For the full definition – see Clause 3.1 of the Terms.
Resale	Resale is discussed in Section 2.3.6. For the full definition – see Clause 22.2 of the Terms. Resold and Resell have corresponding meanings.
Resale Price	For a Capital Note 5, a cash amount equal to its Issue Price.
Retail Investor	A person who is a retail client under the Corporations Act
Scheduled Mandatory Conversion Date	17 December 2032
Second Mandatory Conversion Condition	The Second Mandatory Conversion Condition is discussed in Section 2.2.4. For the full definition – see Clause 4.3 of the Terms.
Second Pro Rata Distribution	The Distribution accrued over the period from (and including) the Reinvestment Date to (but excluding) 17 June 2024, in respect of each Capital Note 2 outstanding on the record date for the Second Pro Rata Distribution.
Senior Ranking Creditors	All creditors of Suncorp (present and future), including all investors in Suncorp's senior or subordinated debt whose claims are: – entitled to be admitted in a Winding-up of Suncorp; and – not in respect of Ordinary Shares or Equal Ranking Instruments, and includes, for so long as they are on issue, the Suncorp Wholesale Subordinated Notes.
Shareholder	A holder of any share in the capital of Suncorp, including any preference share or Ordinary Share from time to time.
SML	Suncorp-Metway Limited (ABN 66 010 831 722).
Special Resolution	A resolution passed at a meeting of Holders by a majority of at least 75% of the votes validly cast by Holders in person or by proxy and entitled to vote on the resolution.
Suncorp	Suncorp Group Limited (ABN 66 145 290 124).
Suncorp Group	The statutory consolidated group comprising Suncorp and its subsidiaries. The Suncorp Group and its activities are described in Section 4.
Suncorp Wholesale Subordinated Notes	The Suncorp Wholesale Subordinated Notes 2, the Suncorp Wholesale Subordinated Notes 3, the Suncorp Wholesale Subordinated Notes 4 and the Suncorp Wholesale Subordinated Notes 5.
Suncorp Wholesale Subordinated Notes 2	The $250,000,000 subordinated notes issued by Suncorp on 1 September 2020.

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Term	Meaning
Suncorp Wholesale Subordinated Notes 3	The $290,000,000 subordinated notes issued by Suncorp on 5 April 2022
Suncorp Wholesale Subordinated Notes 4	The $250,000,000 subordinated notes issued by Suncorp on 1 March 2023
Suncorp Wholesale Subordinated Notes 5	The $600,000,000 subordinated notes issued by Suncorp on 27 September 2023
Syndicate Broker	Any of the Joint Lead Managers, Co-Managers and brokers invited by the Joint Lead Managers to participate in the Offer.
Target Market Determination or TMD	The target market determination for Capital Notes 5 issued by Suncorp in accordance with its obligations under the DDO Regime, which can be obtained electronically at **www.suncorpgroup.com.au/sunpj**.
Tax Event	Broadly, occurs when the Directors receive advice that, as a result of: – a change in tax law in Australia (including any announcement of a change that has been or will be introduced); – an administrative pronouncement or ruling affecting taxation in Australia (including any announcement of intent to adopt such procedures); or – a challenge by a taxing authority in Australia in connection with the Capital Notes 5, on or after the Issue Date (and which Suncorp did not expect on the Issue Date), there is a more than insubstantial risk that a Distribution would not be frankable or that Suncorp would be exposed to a not insignificant increase in its costs in relation to Capital Notes 5 being on issue. For the full definition—see Clause 22.2 of the Terms.
Tax Rate	The Australian corporate tax rate applicable to the franking account of Suncorp as at the relevant Distribution Payment Date. As at the date of this Prospectus, the Tax Rate is 30% (but that rate may change).
Terms or Capital Notes 5 Terms	Terms and conditions of Capital Notes 5 as set out in Appendix A, as amended from time to time.
TFN	Tax File Number.
Third Mandatory Conversion Condition	The Third Mandatory Conversion Condition is discussed in Section 2.2.4. For the full definition—see Clause 4.3 of the Terms.
Tier 1 Capital	Tier 1 capital as defined by APRA from time to time.
Tier 2 Capital	Tier 2 capital as defined by APRA from time to time.
Total Capital	Total capital as defined by APRA from time to time.
Trigger Event Date	The date on which APRA notifies Suncorp of a Non-Viability Trigger Event, as contemplated in Clause 5.1 of the Terms.
Trust	The trust constituted by the Trust Deed.
Trust Deed	The deed entitled Suncorp Capital Notes 5 Trust Deed dated on the date of the Original Prospectus between Suncorp and the Trustee.
Trustee	Certane CT Pty Ltd (ABN 12 106 424 088) and includes any successor.
UBS	UBS AG, Australia Branch (ABN 47 088 129 613, AFSL 231087).
U.S. Securities Act	*Securities Act of 1933* (U.S.).
VWAP	Volume weighted average price (VWAP). This has the meaning described in Section 2.2. For the full definition—see Clause 22.2 of the Terms.

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Term	Meaning
VWAP Period	Broadly, means: – in the case of a Conversion resulting from a Potential Acquisition Event or an Acquisition Event, the period of 20 Business Days (or a lesser number of Business Days in certain circumstances) on which trading in Ordinary Shares takes place on ASX immediately preceding (but not including) the Business Day before the Exchange Date or Acquisition Conversion Date in respect of that event; – in the case of a Conversion resulting from 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 – in the case of any other Conversion, the period of 20 Business Days on which trading in Ordinary Shares took place on ASX immediately preceding (but not including) the date on which Conversion is to occur in accordance with the Terms. For the full definition—see Clause 22.2 of the Terms.
Westpac or Westpac Institutional Bank	Westpac Institutional Branch, a division of Westpac Banking Corporation (ABN 33 007 457 141, AFSL 233714).
Wholesale Client	Has the meaning given in section 761G of the Corporations Act (as it may be modified for the purposes of the DDO Regime).
Wilsons	Wilsons Advisors and Stockbroking Limited (ABN 68 010 529 665).
Winding-up	Broadly, involves the winding-up of a company's affairs by way of realising its assets, paying off its creditors and distributing surplus assets (if any) to its members and can occur in several ways under the Corporations Act, including in circumstances of insolvency.
Winding-up Event	Has the meaning given in Clause 22.2 of the Terms.
Written-Off or Write-Off	Has the meaning described in Section 2.4.9. For the full definition—see Clause 22.2 of the Terms.

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Corporate directory

Issuer

Suncorp

Level 23, Heritage Lanes
80 Ann Street
Brisbane QLD 4000

Australian legal adviser

King & Wood Mallesons

Level 33, One Eagle Waterfront Brisbane
1 Eagle Street
Brisbane QLD 4000

Australian tax adviser

King & Wood Mallesons

Level 27, Collins Arch
447 Collins Street
Melbourne VIC 3000

Auditor

KPMG

Level 11, Heritage Lanes
80 Ann Street
Brisbane QLD 4000

Accounting adviser

KPMG Transaction Services
(a division of KPMG Financial Advisory Services (Australia)
Pty Ltd)

Level 38, Tower Three, International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000

Trustee

Certane CT Pty Ltd

Level 6
80 Clarence Street
Sydney NSW 2000

Registry

Link Market Services Limited

Level 21, 10 Eagle Street
Brisbane QLD 4000

Arranger

UBS AG, Australia Branch

Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Joint Lead Managers

Commonwealth Bank of Australia

Level 8, Commonwealth Bank Place North
1 Harbour Street, Sydney NSW 2000

Morgans Financial Limited

Level 29, 123 Eagle Street
Brisbane QLD 4000

National Australia Bank Limited

Level 6, 2 Carrington Street
Sydney NSW 2000

UBS AG, Australia Branch

Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Westpac Institutional Bank

Level 3, Westpac Place
275 Kent Street
Sydney NSW 2000

Co-Managers

JBWere Limited

Level 31, 405 Bourke Street
Melbourne VIC 3000

LGT Crestone Wealth Management Limited

Level 32, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Wilsons Advisory and Stockbroking Limited

Level 53, 111 Eagle Street
Brisbane QLD 4000

How to contact us

Capital Notes 5 Offer Information Line on 1300 882 012 (within Australia) or +61 2 8767 1219 (outside Australia)
Monday to Friday 8:30am to 7:30pm (AEST)
Website: **www.suncorpgroup.com.au/sunpj**

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To see more, go online

suncorpgroup.com.au/sunpj

Enquiries

Suncorp Capital Notes 5

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On **+61 2 8767 1219** (Outside Australia)

Monday to Friday 8:30am to 7:30pm (AEST)

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