

9 September 2019

Suncorp Group CEO and Managing Director appointment

Suncorp (ASX: SUN | ADR: SNMCY) today announced the appointment of Steve Johnston as Group Chief Executive Officer, effective immediately.

Chairman Christine McLoughlin said the Board's decision to appoint Mr Johnston followed a competitive and robust recruitment process which included high-calibre global and local candidates.

"Steve was the outstanding candidate. He has a clear vision for Suncorp's future, a deep understanding of Australia and New Zealand's financial services industry and the organisation, as well as high regard and confidence from his colleagues.

"The Board is delighted that he has accepted the offer to lead the company at an important juncture in its history, as it seeks to take a leadership position in the newly defined and dynamic operating environment," she said.

Mr Johnston said it was a privilege to be appointed Group CEO of Suncorp.

"Having worked for Suncorp for nearly 14 years, I have acquired a deep understanding of our banking, wealth and insurance operations, and have immense pride and passion for Suncorp and our people," he said.

Ms McLoughlin said: "Steve's vision for our company leverages our strong digital foundations, embraces an innovation mindset, builds on our customer-centric culture and invests in the capability of our people.

"The Board is confident in his ability and drive to achieve results and deliver for both our customers and shareholders."

Mr Johnston said he had seen first-hand Suncorp's industry-leading response to devastating natural disasters which had impacted customers and communities across Australia and New Zealand.

"The serious bushfires currently impacting areas of southern Queensland and northern New South Wales reinforce the important role we play in society.

"As well as getting our customers back on their feet, I'm committed to ensuring that every Australian has access to affordable, relevant and valuable financial services products, while balancing the needs of customers, communities and shareholders," he said.

"We are focused on improving the performance in our banking, wealth and insurance businesses by implementing regulatory change, driving operational excellence and scaling our digital and data capabilities.

"I look forward to working closely with the Board and our people to take Suncorp to a new level of performance," he said.

Deputy CFO Jeremy Robson will continue in the Acting Group CFO role while a robust recruitment process is undertaken considering internal and external candidates.

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Biography

Work History:

Steve Johnston, 53, was born in Brisbane, Australia and is married with two adult children.

He joined Suncorp in 2006 and has held various executive positions most recently as Acting Group CEO. Prior to this, he was the Group CFO with responsibility for financial reporting and management, Legal and Company Secretariat, taxation, investor relations, corporate affairs and sustainability.

Steve's previous roles include Deputy CFO, EGM Investor Relations and Corporate Affairs and he has played a key role in the strategic and financial management of the Group including Suncorp's rebuild following the global financial crisis.

Prior to joining Suncorp, Steve was General Manager Corporate & Government Relations at Telstra and he has also held senior positions in the Queensland Government.

Qualifications:

B.Bus (Management), B.Bus (Public Administration)

Summary of material terms of CEO employment agreement

Position	Group Chief Executive Officer and Managing Director
Commencement date	9 September 2019
Term	No fixed term. Ongoing until terminated by either party in accordance with the employment agreement (see 'termination of employment' below).
Total Fixed Package (TFP)	\$1,800,000 per annum (including superannuation).
Incentives	<p>Mr Johnston will be eligible to participate in Suncorp's incentive plans on terms to be decided by the Board of Directors. In relation to FY20, Mr Johnston will be eligible to receive:</p> <ul style="list-style-type: none">• a target short-term incentive (STI) opportunity with a face value equivalent to 100% of his TFP (pro-rated for the periods of FY20 spent in the roles of Acting CEO and Group CEO), subject to the achievement of performance hurdles and other terms. Thirty-five per cent of any STI awarded in relation to the Acting CEO role and fifty percent in relation to the Group CEO role will be deferred into share rights which vest 50% on the first anniversary, and 50% on the second anniversary, of the date of grant; and• a target long-term incentive (LTI) opportunity with a face value equivalent to 100% of his TFP, subject to the achievement of performance hurdles and other terms. <p>The Company will be seeking shareholder approval for a grant of FY20 LTI performance rights to Mr Johnston at its 2019 annual general meeting. The number of rights for which shareholder approval is being sought was determined based on 100% of Mr Johnston's TFP when he was CFO. As a result of his promotion to Group CEO, Mr Johnston is entitled to a larger number of performance rights. Therefore, if shareholder approval for the FY20 LTI grant is obtained at Suncorp's 2019 AGM, Suncorp intends to issue additional performance rights to Mr Johnston, so that the total number of performance rights represent 100% of his new TFP.</p> <p>In addition, Mr Johnston will remain entitled to receive a one-off equity award in recognition of his acceptance of the Acting CEO role and his contribution during the time spent in that role. As set out in the Company's announcement on 11 June 2019, Mr Johnston has received a grant of share rights with a face value of \$300,000, which will vest on 26 May 2020 provided that Mr Johnston has not given notice of his resignation or been terminated for cause at the time of vesting.</p> <p>All incentive arrangements will be subject to Suncorp's usual clawback and malus provisions.</p>
Notice period	9 months by the Company and 6 months by Mr Johnston, except that the Company may summarily terminate Mr Johnston's employment without notice in certain circumstances (including serious misconduct).
Termination entitlements	<p>The Company may elect to pay Mr Johnston in lieu of working out some or all of his notice period.</p> <p>Entitlements to any incentives on cessation of employment will be determined in accordance with the terms of the relevant plan.</p>
Post-employment restraints	<p>The following restraints apply:</p> <ul style="list-style-type: none">• a non-solicitation restraint of up to 12 months; and• a non-competition restraint of up to 6 months, after the termination of Mr Johnston's employment.