

Explanatory Memorandum

22nd Annual General Meeting, 4 November 2010

This Explanatory Memorandum accompanies the Notice of Meeting for the Company's 22nd Annual General Meeting to be held on Thursday, 4 November 2010 at 2.30pm (Brisbane time).

Information relevant to the business to be considered at the Annual General Meeting is provided in this Explanatory Memorandum and shareholders should read this document in full.

Agenda Item 1

Receive and consider Financial Reports

This item provides shareholders with an opportunity to ask questions concerning the Company's financial statements and reports for the year ended 30 June 2010, and the Company's performance generally. The Auditor will be present to answer questions from shareholders relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

The Auditor will also respond to any written questions, provided these are submitted to the Company no later than five business days prior to the meeting.

Agenda Item 2

Adoption of the Remuneration Report

The Company's Remuneration Report, as contained in the 2010 Annual Report, has been submitted to shareholders for consideration and adoption. Following consideration of the Remuneration Report, shareholders will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

For those shareholders who did not elect to receive a printed copy, the Annual Report is published on the Suncorp Group website (www.suncorpgroup.com.au) or it can be posted (free of charge) by contacting the share registry, Link Market Services Limited, on 1300 882 012.

The Remuneration Report provides information on the following issues:

- the policies adopted by the Board for determining the nature and amount of remuneration of directors, secretaries and senior managers;
- the relationship between the remuneration policies and the Company's performance;
- the performance conditions that apply to the different components of the remuneration structure, why those performance conditions were chosen, and how performance is measured against them;
- the basis of comparison used for assessing the Company's performance relative to other companies; and
- remuneration details for directors and senior executives.

The Board believes the Company's remuneration policies and structures, as outlined in the Remuneration Report, are appropriate relative to the size of the Company, its business objectives and current and emerging market practices.

Shareholders should note that the vote will be advisory only and does not bind the directors or the Company.

Agenda Item 3

Re-election and confirmation of directors

In accordance with clause 24.7 of the Company's Constitution, Mr J D Story and Dr Z E Switkowski will retire at the Annual General Meeting. Mr Story and Dr Switkowski, being eligible, have offered themselves for re-election.

In accordance with clause 24.4 of the Company's Constitution, Mr S I Grimshaw, who was appointed a director of the Company by the Board on 27 January 2010, is to be elected by shareholders as a director of the Company.

Board recommendation

The Board recommends that shareholders vote in favour of the re-election of all directors offering themselves for re-election and confirm the appointment of the director appointed since the last Annual General Meeting.

Directors' profiles are overleaf.



Mr Story

Mr Story has been a director of the Company since January 1995, Deputy Chairman since June 2002, and Chairman since March 2003. He is Chairman of the Nomination Committee and an ex-officio member of the Audit, Risk and Remuneration Committees.

Mr Story was a partner of the national law firm Corrs Chambers Westgarth for 36 years, retiring on 30 June 2006. He practised in the areas of corporate and commercial law and served as the Queensland Managing Partner and National Chairman.

He is Chairman of Tabcorp Holdings Limited and a director of CSR Limited.

Mr Story is Chancellor of The University of Queensland and is a Commissioner of the Public Service Commission (Queensland).

Mr Story is 65 years of age, holds a Bachelor of Arts and a Bachelor of Laws, and is a Fellow of the Australian Institute of Company Directors.

Mr Story has advised that if re-elected, he will serve only one year of his extended term and retire at the 2011 Annual General Meeting.



Dr Switkowski

Dr Switkowski has been a director of the Company since September 2005. He is Chairman of the Remuneration Committee and a member of the Risk Committee.

Dr Switkowski is Chairman of the Australian Nuclear Science and Technology Organisation and Opera Australia. He is a director of Healthscope Limited and Tabcorp Holdings Limited and was previously Chief Executive Officer of Telstra Corporation Limited, Optus Communications Limited and Kodak Australasia Pty Ltd.

Dr Switkowski is 62 years of age and holds a Bachelor of Science and a Doctorate in Nuclear Physics. He is a Fellow of the Institute of Company Directors and a Fellow of the Academy of Technological Sciences and Engineering.



Mr Grimshaw

Mr Grimshaw has been a director of the Company since January 2010. He is a member of the Audit and Risk Committees.

Mr Grimshaw has over 25 years' experience in the banking and financial services industry, both in Australia and overseas and was appointed Chief Executive Officer at Caledonia Investments in January 2009. He formerly held senior positions at the Commonwealth Bank of Australia, including Chief Financial Officer, Group Executive Premium Business and Group Executive Wealth Management.

While working overseas for the National Australia Bank, Mr Grimshaw held the position of Chief Executive Officer for both Yorkshire and Clydesdale Banks.

Mr Grimshaw is 49 years of age and holds a Bachelor of Commerce and Administration, a Master of Business Administration, is a Senior Fellow of FINSIA and has completed the Harvard Business School Programme for Management Development.

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