AUSTRALIAN
SHAREHOLDERS'
ASSOCIATION

Suncorp Group Limited Voting Intentions Report 2026

Company/ASX Code	Suncorp Group Limited (ASX: SUN)
AGM time and date	10.00am AEST, Thursday 24 September 2026
Location	Grand Ballroom, InterContinental Brisbane, 190 Elizabeth Street, Brisbane; and online at meetings.openbriefing.com/suncorp26
Registry	MUFG Corporate Markets (AU) Limited
Type of meeting	Hybrid
Monitor	David Loosemore assisted by Savvas Koutoufides
Pre-AGM Meeting	11 September with Chair Duncan West, Director Gillian Brown and Nick Janu (IR)

Monitor Shareholding: The individuals involved in the preparation of this voting intention have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	ASA voting intention
1	To adopt the Remuneration Report for the financial year ended 30 June 2026.	**For**
2	To approve the grant of 171,947 performance rights under the Suncorp Group Equity Incentive Plan, to the Chief Executive Officer & Managing Director (CEO), Mr Steven Johnston, as set out in the Explanatory Memorandum.	**For**
3	To appoint Ernst & Young as auditor of the Company, as set out in the Explanatory Memorandum.	**For**
4a	To elect Ms Saw Teow Yam (Yen Saw) as a director of the Company in accordance with the Company's Constitution.	**For**
4b	To re-elect Mr Elmer Funke Kupper as a director of the Company in accordance with the Company's Constitution.	**For**

2. Summary of Issues and Voting Intentions for AGM

- ASA intends to vote FOR all five resolutions. We are satisfied that the CEO's remuneration is reasonable for a large, regulated general insurer and that the incentives contain meaningful performance risk. We also support the proposed auditor change and both director candidates.
- Suncorp earned $1.027 billion after tax in FY26 and paid 79 cents per share in ordinary and special dividends. The share price fell during the year, but shareholders still received an annualised total return of 17.3% over five years. This was well above the relevant broad-market and financial-sector indices.

- The CEO received $6.634 million for FY26, below the $7.497 million target package. Suncorp provided ASA with independent peer comparisons showing that pay is around the median of eight large Australian financial-services companies. This resolved ASA's earlier concern about lack of disclosure in the annual report.
- Some disclosure could still improve. Suncorp does not publish its absolute Cash RoTE targets before the long-term incentive period ends, and does not publish an individual director skills matrix. The board will also initially have only three women among nine directors after the AGM. ASA will continue to raise these matters, but they do not justify voting against the current resolutions.

Key terms used in this report

Short-term incentive (STI) is the annual bonus, based on a scorecard of financial and non-financial results. Long-term incentive (LTI) is an award of performance rights that can become shares only if multi-year conditions are met. Total shareholder return (TSR) combines share-price movement and dividends. Cash return on tangible equity (Cash RoTE) measures profit earned on shareholders' tangible capital. Net Promoter Score (NPS) measures customers' willingness to recommend the company. Target remuneration is the package for achieving expected performance; maximum remuneration is the opportunity for exceptional performance; realised remuneration is the value actually received during the year.

3. Matters Considered

Accounts and reports

KPMG gave the FY26 financial statements an unmodified audit opinion, meaning the auditor did not identify a qualification to its opinion. Suncorp reported net profit after tax of $1.027 billion. Cash earnings, the company's measure of profit from continuing operations after specified adjustments, were $1.042 billion. Suncorp remained above its regulatory capital requirements and announced ordinary dividends of 69 cents per share, a 10-cent special dividend and a further on-market share buyback of up to $250 million. A buyback reduces the number of shares on issue and returns excess capital to shareholders (Annual Report, pp.5-6 and 76-80).

Financial performance

(As at FYE)	**2026**	**2025**	**2024**	**2023**	**2022**
NPAT ($m)	1,027	1,823	1,197	1,148	681
Cash earnings ($m)	1,042	1,486	1,372	1,254	673
Share price ($)	19.29	21.61	17.41	13.49	10.98
Dividend (cents)	79	112	78	60	40
Simple TSR (%)	-7.1	N/M[1]	34.8	28.3	2.3
Basic EPS (cents)	95.74	168.52	110.96	84.82	-
CEO total remuneration, realised ($m)	6.634	-	-	-	-

Total shareholder return combines the change in share price with dividends. Suncorp's simple FY26 return was negative 7.1%, reflecting the fall in the share price despite dividends. Over five years, its adjusted annualised return was 17.3%, compared with 8.2% for the S&P/ASX 100 and 12.6% for the S&P/ASX 100 Financials. [1]A simple FY25 calculation is not meaningful because the bank sale led to a $3.8 billion capital return and a proportional reduction in the number of shares. Earlier realised for the former CEO remuneration is omitted because the current report does not provide a consistent reconciled series (Annual Report, pp.5-6 and 91).

Governance and culture

The Chair and all non-executive directors are classified as independent, so no executive or major shareholder controls the board. An external adviser helped evaluate the board, its committees, individual directors and the chair during FY26. Suncorp publishes the number of directors with each skill, but not which director holds which skill. ASA prefers a director-by-director matrix because it lets shareholders test whether the board has the expertise it claims. After two retirements, women will initially comprise three of nine directors, or 33.3%, below ASA's expectation of at least 40%. Suncorp has reaffirmed the 40% target but has not given a timetable. It also disclosed approximately $100,000 of political expenditure for FY26 for attendance at functions (no cash payments). These are matters for continuing engagement rather than reasons to oppose the candidates at this AGM (Annual Report, pp.59-62).

Key events

Suncorp responded to 18 declared natural hazard events and more than 120,000 related claims. Natural hazard claims cost approximately $2 billion within total claims payments of more than $10 billion. These costs show why insurance pricing, claims management and reinsurance are central to the business. Reinsurance transfers part of the risk to other insurers. Suncorp has arranged a five-year cover that can provide up to $800 million a year; the company expects this to limit FY27 natural-hazard costs above its allowance to $50 million in 90% of modelled scenarios. Suncorp also completed a $400 million share buyback and announced a further buyback of up to $250 million, subject to market conditions (Annual Report, pp.5-6 and 15-19).

Media reports identify Japanese insurer Tokio Marine as a possible suitor for Suncorp. However, no formal proposal has been announced, and Suncorp has not confirmed discussions. Shareholders should therefore treat the reports as speculation. If an offer emerges, the board will need to assess its value, conditions, regulatory risks and certainty of completion before recommending whether shareholders should accept it.

Business strategy and operations

After selling Suncorp Bank, the group is focused on general insurance in Australia and New Zealand. It aims to compete through faster and more effective claims handling, detailed risk selection and pricing, and brands aimed at different customer groups. Suncorp says it will first use capital to grow its existing business. It will consider acquisitions only when they fit the strategy, are expected to add shareholder value and remain within the board's risk limits. The expense ratio, which compares operating expenses with premium income, fell from 20.4% to 18.1% over four years while Suncorp continued to invest in digital platforms, data and artificial intelligence. Management expects the ratio to be broadly stable in FY27. The dividend policy is to distribute 60% to 80% of cash earnings, with surplus capital available for special dividends or buybacks

Key board or senior management changes

Duncan West became chair after the 2025 AGM. Yen Saw joined the board on 30 June 2026, while Sally Herman and Simon Machell will retire at the 2026 AGM. During the year, CEO Steve Johnston took medical leave and Chief Financial Officer Jeremy Robson served as acting CEO. Suncorp reorganised senior executive responsibilities from 17 August 2026, subject to regulatory approvals, to give clearer responsibility for customers and brands, digital operations, the insurance portfolio and risk management (Annual Report, pp.6 and 60; Suncorp executive changes announcement, 12 August 2026).

Sustainability/ESG

Climate change and natural hazards can affect the affordability of insurance, the number and cost of claims, and the capital Suncorp needs to hold. The board oversees climate risk, scenario analysis, customer resilience and sustainability reporting. Suncorp reported that its direct operational emissions and emissions from purchased energy were 88% below the FY20 baseline on a market-based measure. It has also deployed more than 25 artificial-intelligence uses in two years. Smart Knowledge has handled more than 300,000 staff queries and is estimated to have saved 47,000 hours. Smart PDS, which helps staff search product-disclosure documents, reduced handling time by about 25% and reported accuracy above 97%. Suncorp told ASA that AI proposals are checked for model, ethical, cybersecurity, data, privacy and regulatory risks before deployment, with board reporting on material incidents and risk-limit breaches (Annual Report, pp.5, 23 and 43-44).

What ASA asked Suncorp and what we learned

Chief executive pay: ASA asked Suncorp to identify the companies used to benchmark pay and to explain the increase in the maximum annual bonus from 100% to 125% of fixed pay. Suncorp uses IAG, QBE, Medibank Private, ASX Limited and the four major banks as its main financial-services group. Independent data places fixed pay just below this group's median and target and maximum remuneration at the median. A second comparison with 20 similarly capitalised companies places fixed and target pay just above the 75th percentile, but maximum pay only 6% above the median. ASA gives greater weight to the industry comparison because Suncorp's regulatory obligations and insurance risks make financial-services companies more comparable than many businesses of a similar market value. We are therefore satisfied that the overall package is not excessive. Suncorp also confirmed that half of the annual bonus is deferred for one and two years and can be reduced or recovered for serious later-discovered problems.

Incentive conditions: Financial results make up 60% of the annual-bonus scorecard, and each financial measure has a minimum threshold. Suncorp did not identify a single overall financial gateway that must be passed before any above-target bonus can be paid. For the long-term incentive, the Cash RoTE stretch result is 35% above the level at which vesting starts and 15% above target. The board sets the targets using the business plan, cost of capital and investor expectations, but does not publish the numerical targets until the four-year period has ended. It may adjust them only to remove a material advantage or disadvantage caused by a corporate action or capital reconstruction. ASA accepts the explanation but would prefer earlier disclosure.

Board accountability and technology: ASA asked how directors oversee artificial intelligence and cybersecurity. Suncorp said management checks proposed AI uses against board-approved risk limits, data ethics and model-governance standards before deployment. The Board and Risk Committee receive reports on AI use, cyber threats, material incidents and breaches of risk limits. An internal AI Council and external specialists support this work. These answers give ASA reasonable comfort that the board has established oversight arrangements. Suncorp also confirmed that shareholders may ask questions on each AGM item and that both director candidates will address the meeting. The lack of a director-by-director skills matrix and the expected fall below 40% women remain matters for monitoring.

4. Rationale for Voting Intentions

Resolution 1 - Remuneration Report (FOR)

This vote is advisory, but a vote of 25% or more against the report counts as a strike under the Corporations Act. ASA supports the report because the amount offered is reasonable and the amount actually received reflected performance. The chief executive's FY27 package is $7.648 million at target and $8.194 million at maximum. Suncorp's independent comparison with eight large financial-services companies places fixed pay just below the median and target and maximum pay at the median. Although a comparison with 20 similarly capitalised companies places fixed and target pay just above the 75th percentile, ASA accepts that Suncorp's insurance risks, regulation and operational complexity make the industry group more relevant. FY26 realised remuneration was $6.634 million, below the $7.497 million target package, while five-year annualised shareholder return of 17.3% exceeded both comparison indices. Half of the annual bonus is deferred for one and two years. The board can reduce unpaid awards or recover paid amounts if serious problems emerge. Financial results make up 60% of the annual-bonus scorecard and each financial measure has a minimum threshold. Suncorp has not disclosed a single overall financial gateway for an above-target bonus, but this design reservation does not outweigh the evidence on reasonable pay, deferral, downside risk and alignment with shareholders (Annual Report, pp.81-97).

Resolution 2 - Grant of Performance Rights to the Chief Executive Officer & Managing Director (FOR)

ASA supports granting 171,947 performance rights with a face value of $3.2775 million. A performance right has no exercise price and gives the chief executive no share at the outset; it becomes a share only if the service and performance conditions are met. Suncorp calculated the number of rights from the full market value of a share, using a five-day average price of $19.0610 and no discount for the possibility that some rights will lapse. This avoids issuing extra rights to compensate the executive for performance risk. Over four years, 40% of the award depends on Suncorp's shareholder return relative to other companies, 30% on Cash RoTE, 20% on customer recommendation scores and 10% on trust and reputation.

Any vested rights are released in thirds after years four, five and six, extending exposure to the share price. There is no loan, retesting or exercise price, and the board can reduce or recover awards in specified circumstances. Suncorp said the Cash RoTE stretch level is 35% above the level at which vesting starts and 15% above target. ASA would prefer the numerical targets to be published before the test ends. Even so, the measures are balanced, most of the award is financial, and the four-year test and later release provide meaningful downside risk. If shareholders reject the equity grant, Suncorp intends to offer an equivalent cash award on the same performance conditions (Notice of Meeting, pp.11-14).

Resolution 3 - Appointment of Ernst & Young as auditor (FOR)

Shareholders appoint the external auditor, which independently reviews the financial statements. ASA supports appointing Ernst & Young to replace KPMG. The board ran a formal competitive tender through a committee established for that purpose. Director Ian Hammond took no part because he had been a partner of one of the firms that tendered. This was an appropriate way to manage the potential conflict. Ernst & Young has agreed to act, but the change still requires shareholder approval and the Australian Securities and Investments Commission must consent to KPMG's resignation. The competitive process and the change of audit firm support auditor independence (Notice of Meeting, p.15; SUN 2025 ASA Voting Intentions pp.1-2).

AUSTRALIAN
SHAREHOLDERS'
ASSOCIATION

Resolution 4a - Election of Ms Saw Teow Yam (Yen Saw) (FOR)

ASA supports Yen Saw's election. The board considers her independent, and her disclosed commitments leave sufficient time for the role. She has more than 30 years' experience across insurance, reinsurance and financial services in the Asia-Pacific region. Her career includes chief executive roles and oversight of technology-led change. These skills are relevant to Suncorp's insurance focus, digital investment and board renewal. She held no Suncorp shares at 30 June 2026 because she joined the board on that date. Under Suncorp's policy, a new director has two years to build a holding worth half of base board fees and four years to reach a full year's base fees. Suncorp will not publish an individual director skills matrix, and women will initially be only one-third of the board after the AGM. ASA will continue to raise those board-wide issues, but neither indicates that Yen Saw is unsuitable (Annual Report, pp.60-61, 73 and 98; Notice of Meeting, p.16).

Resolution 4b - Re-election of Elmer Funke Kupper (FOR)

ASA supports Elmer Funke Kupper's re-election for his third and final term. The board considers him independent, and his disclosed commitments leave sufficient time for the role. His experience covers listed-company leadership, financial services, regulation, technology, data and cybersecurity. These skills are particularly relevant because he chairs the Risk Committee. He attended every board and committee meeting for which he was eligible in FY26. At 30 June 2026 he held 60,000 Suncorp shares, worth about $1.16 million at the year-end share price. This comfortably exceeds the value of one year's board and committee fees and aligns his financial interests with other shareholders. Suncorp told ASA that the Board and Risk Committee receive reports on AI use, cyber threats, material incidents and breaches of risk limits, supported by an internal AI Council and external specialists. This gives reasonable evidence that the board has established oversight in an area relevant to his responsibilities. No material performance, conduct, independence or workload concern has been identified (Annual Report, pp.71, 75, 98 and 103; Notice of Meeting, p.17).

Appendix 1
Remuneration framework detail

CEO remuneration framework for FY27	Target* $m	% of total	Maximum opportunity $m	% of total
Fixed remuneration	2.185	28.6%	2.185	26.7%
STI - Cash	1.093	14.3%	1.366	16.7%
STI - Equity	1.093	14.3%	1.366	16.7%
LTI	3.278	42.9%	3.278	40.0%
Total	**7.648**	**100.0%**	**8.194**	**100.0%**

The table shows the FY27 pay opportunity, not the amount the chief executive will necessarily receive. Fixed remuneration is salary and related benefits. At target, the annual bonus equals fixed remuneration; half is paid in cash and half is deferred into equity. At maximum, the annual bonus equals 125% of fixed remuneration. The long-term incentive is awarded as performance rights at full face value and can lapse if the conditions are not met. Maximum opportunity at grant does not cap the eventual value of vested shares if Suncorp's share price rises. Figures may not add due to rounding.