



NEWS RELEASE

1 July 2009

SUNCORP APPOINTS PATRICK SNOWBALL AS CHIEF EXECUTIVE OFFICER

Suncorp Chairman John Story today announced Patrick Snowball has been appointed as the Group's Chief Executive Officer. Mr Snowball will commence as CEO on 1 September 2009 and will also join the Suncorp Board.

Mr Snowball is a highly experienced financial services executive, with a strong background in insurance that includes an extensive career at Aviva plc, the world's fifth largest insurance group and the largest insurance services provider in the United Kingdom.

For the past two years, he worked with the Towergate group of companies in both a deputy chairman and chairman's role. He also served as a non-executive director of Jardine Lloyd Thompson plc.

Mr Story said Mr Snowball had emerged as the outstanding candidate for the role following an exhaustive national and international search.

"I am delighted to announce the appointment of an outstanding leader with extensive financial services experience and who has overseen businesses with operations in the United Kingdom, Ireland, Canada, India and Asia," Mr Story said.

"Patrick Snowball is uniquely qualified to lead Suncorp through a period of fundamental change and renewed growth as the Group reshapes itself to respond to the challenges of the external market.

"Importantly, we have appointed a CEO who meets the criteria set by the Suncorp Board and who, we believe, will meet the expectations of all our stakeholders."

Mr Snowball said he looked forward to the challenges of his new role.

"I am excited about the prospect of leading one of Australia and New Zealand's largest financial services companies through a critical stage of its corporate development and in one of the toughest global operating environments seen in many years," Mr Snowball said.

"I have accepted the CEO role because I am very confident about the underlying strength of the Group's businesses and the potential that exists within its strong stable of financial services brands. Mr Story and the Board have been very open about the challenges Suncorp faces and the expectations of its various stakeholders.

"My family and I are looking forward to relocating to Australia and setting up home in Brisbane."

Mr Story also acknowledged the leadership of acting CEO Chris Skilton.



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“Through his leadership, Chris has maintained the momentum of our business and the Board, management team and I look forward to his ongoing involvement with the company as we transition to Patrick’s leadership,” he said.

Mr Snowball’s appointment followed an extensive global search conducted by Russell Reynolds Associates which considered internal and external candidates. Mr Snowball’s appointment is subject to the conditions noted in his employment contract.

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Attachments

- Biographical details
- Summary of employment contract key terms



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Biographical details

Patrick Snowball

Patrick Snowball is an experienced financial services executive with extensive knowledge of the insurance industry, having overseen businesses in the UK, Ireland, Canada, India and Asia. For the past two years, he worked with the Towergate group of companies in both a deputy chairman and chairman's role. He also served as a non-executive director of Jardine Lloyd Thompson plc from 2008 to 30 June 2009.

Mr Snowball was a member of the executive team at Aviva plc, the world's fifth largest insurance group and the largest insurance services provider in the UK, and its predecessor companies for 19 years, from 1988 to 2007.

From 2005 to 2007, Mr Snowball was Group Executive Director, Aviva UK, where he was responsible for all UK operations, including its general insurance, life risk and life risk investment sales businesses. As part of this role he had responsibility for the company's major bankassurance deals, for both life and general insurance arrangements with RBS, Barclays, HSBC (UK) and Santander.

From 2000 to 2007, Mr Snowball held various senior roles at Aviva, including the Chief Executive Director UK General Insurance, UK Life Insurance, Ireland GI and Life (largest insurer in Ireland), Canada GI and Asia.

In 2005, Mr Snowball led the £1.1bn acquisition and successful integration of RAC, as part of broadening the Group's service offering in the UK.

Mr Snowball joined the main Board of Norwich Union plc in 1999 prior to the merger with CGU in 2000. Having previously being part of the team delivering the realignment of Norwich Union after demutualisation in 1997, he re-joined the Aviva main board in 2001.

From 1970 to 1987, Mr Snowball served with the British Army. He has an MA in History and Economics from Lincoln College Oxford and is a graduate of the British Army Staff College. He was awarded an Honorary Doctorate in Civil Law from the University of East Anglia in 2005.

Mr Snowball sat on the Financial Services Authority (FSA) Practitioner Panel – representing Life and General Insurance – from 2006 to 2008.



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Summary of employment contract key terms

This document provides a summary only of the key provisions of the employment agreement between Mr Patrick Snowball and Suncorp-Metway Limited (**Suncorp**).

Commencement of employment and appointment

Mr Snowball's employment with Suncorp will commence on 1 September 2009. He will be appointed as the Managing Director and Chief Executive Officer of Suncorp commencing on 1 September 2009.

Term

Four (4) year term ('**Term**'), with the arrangement that the parties can agree to extend the Term for a further twelve (12) months. The Term may be extended in this way on more than one occasion.

Remuneration and benefits

1. Total Employment Cost (TEC)

The initial TEC is \$2,100,000 per annum, less amounts required to be deducted for taxation purposes. This amount includes superannuation contributions. It is reviewable annually in accordance with Suncorp's policies.

In addition to TEC, air travel tickets for Mr Snowball and his family to return to the United Kingdom will be provided on one occasion in each year of the Term.

2. Short term incentive (STI)

For the period from 1 September 2009 to 1 September 2013, Mr Snowball will be eligible to receive a STI where:

- (a) the maximum STI opportunity will be 150% of TEC; and
- (b) the target STI amount will be 100% of TEC.

The target and maximum opportunities will be pro rated in any part years. Any entitlement to STI is at the discretion of the Board having regard to performance measures and targets developed in consultation with Mr Snowball.

In relation to any STI awarded, 50% will be paid to Mr Snowball in cash, and the balance will be deferred for 2 years and is subject to a reduction or forfeiture in certain circumstances (including where there has been a failure to follow risk management policies and practices).

The agreement also provides for the release of deferred STI and a pro rata award of current year STI, having regard to applicable performance measures, where a change of control occurs.

3. Long Term Incentive (LTI)

Mr Snowball will be eligible to participate in Suncorp's LTI plan on terms determined by the Board, subject to receiving any required or appropriate shareholder approval.



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On or as soon as practicable after 1 September 2009, the Board will procure that an award of 900,000 rights to shares in Suncorp will be made to Mr Snowball under Suncorp's LTI plan ('Initial LTI Grant'). The Initial Grant will be divided into three (3) equal tranches, and will constitute Mr Snowball's full LTI entitlement for the 2010, 2011 and 2012 financial years. Vesting of the Initial LTI Grant will be subject to performance hurdles tested over a three (3) to five (5) year period.

The agreement also provides for pro rata vesting of any unvested LTIs, subject to satisfaction of applicable performance measures, where a 'change of control' occurs.

4. Relocation and related expenses

The agreement provides for Suncorp to cover the costs of relocating Mr Snowball and his family to Brisbane from the United Kingdom. Specifically, the agreement provides for the reimbursement of out-of-pocket expenses to an amount of \$250,000, a lump sum payment of \$250,000 (less applicable tax), and the provision of temporary accommodation and a motor vehicle for a period of up to four (4) months after Mr Snowball and his family arrive in Australia.

Suncorp will also in certain circumstances reimburse reasonable costs of up to \$125,000 incurred in repatriating Mr Snowball and his family to the United Kingdom at the conclusion of his employment.

Acquisition of Shares

The agreement provides that Mr Snowball must as soon as reasonably practicable after 1 September 2009 (but at a time permitted by applicable Suncorp policies) acquire, at his own expense, such number of Suncorp shares as most closely represents \$500,000 at the time of acquisition.

Termination

Mr Snowball can resign:

- (a) by providing six (6) months' written notice; or
- (b) immediately in circumstances where there is a fundamental change in his role or responsibilities and the Board refuses, fails or neglects to remedy the situation after twenty one (21) days. In these circumstances, Mr Snowball is entitled to a payment in lieu of twelve (12) months' notice.

Suncorp can terminate Mr Snowball's employment:

- (a) immediately for misconduct or other circumstances justifying summary dismissal;
- (b) immediately if he fails to hold the necessary visas or other governmental approvals in order to perform all of his obligations;
- (c) by providing twelve (12) months' written notice;
- (d) if Mr Snowball becomes incapacitated or is of unsound mind or his health deteriorates to a certain degree, by providing nine (9) months' written notice; or
- (e) for poor performance, by providing three (3) months' written notice.

When notice is required, Suncorp can make a payment in lieu of notice of all or part of any notice period (calculated based on Mr Snowball's TEC).



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During any period of actual notice, Suncorp can change Mr Snowball's position and responsibilities, appoint an interim or new Managing Director or Chief Executive Officer, or direct Mr Snowball not to attend the office, or not to perform all or part of his duties.

Consequences of termination

1. Resignation as director

On termination, Mr Snowball must resign as director or other officer of Suncorp or any Suncorp Group entity.

2. Incentives

All deferred STI awards and the Initial LTI Grant award will lapse or be forfeited if Mr Snowball resigns or his employment is terminated for poor performance, immediately for misconduct or other circumstances justifying summary dismissal, or because he fails to hold the necessary visas or other governmental approvals.

In all other circumstances (including the expiry of the Term), the entitlement to any STI award will be in accordance with the terms of the agreement and subject to the performance measures, and any deferred STI award and any unvested awards under the Initial LTI Grant will continue 'on foot' until the relevant vesting dates as if Mr Snowball had continued in employment (unless the Board exercises its discretion otherwise). In the case of the Initial LTI Grant, the number of awards which will continue 'on foot' will depend on when termination of employment occurs: after one years service 300,000 will continue; after two years service 600,000 will continue; and after three years service, the entire 900,000 will continue.

3. Restrictive covenants

If Mr Snowball resigns or Suncorp summarily dismisses him, Mr Snowball will be subject to a twelve (12) month post employment restraint in any area that the Suncorp Group operates, where he is restricted from working for certain competitive businesses and from soliciting customers, clients, suppliers or employees of the Suncorp Group.

General provisions

The agreement contains provisions regarding leave entitlements (including an entitlement to one (1) week of annual leave each year in addition to Mr Snowball's statutory entitlement to four (4) weeks annual leave), duties, confidentiality, intellectual property, moral rights and other facilitative and ancillary clauses. It also contains provisions regarding corporate governance and a provision dealing with the Corporations Act and ASX Listing Rules limits on termination payments to be made to Mr Snowball.