# NOTICE OF EXTRAORDINARY GENERAL MEETING
## Tuesday 24 April 2007

An Extraordinary General Meeting of Suncorp-Metway Ltd ("**Company**") will be held at 2.30 pm on Tuesday, 24 April 2007 in Meeting Rooms 3 and 4 at the Brisbane Convention & Exhibition Centre, corner of Merivale and Glenelg Streets, South Brisbane.

**Special Business**

**1 Amendment of the Constitution**

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That the Company's Constitution be amended by:

(a) replacing clause 14.1(a) with the following:

"(a) The number of directors of the Company shall not exceed 13 nor be less than 7."

(b) replacing clause 14.2 with the following:

"(a) At least the prescribed number of directors, 1 of whom must be the Managing Director, must be ordinarily resident in Queensland.

(b) In clause 14.2(a), the prescribed number of directors means the number that is:

(i) until the Effective Date, a majority of directors; or

(ii) on and after the Effective Date, the greatest of the following:

(A) 5;

(B) 40% of the total number of directors;

(C) if 40% of the total number of directors is not a whole number, the next highest whole number."; and

(c) inserting in clause 1.2 in the appropriate alphabetical order the following:

""**Effective Date**" means the date on which amendments to the Facilitation Act which require this Constitution to contain a clause substantially in terms of clauses 14.2(a) and 14.2(b)(ii) become binding on the Company.

"**Facilitation Act**" means the *State Financial Institutions and Metway Merger Facilitation Act 1996* (Qld) (as amended).""

**2 Election of Directors**

To consider and, if thought fit, to pass the following resolutions as separate ordinary resolutions:

(a) "That Mr Leo Tutt be elected as a director of the Company."

(b) "That Mr Ewoud Kulk be elected as a director of the Company."

(c) "That Mr Geoffrey Ricketts be elected as a director of the Company."

(d) "That:

(i) subject to, and conditional upon, the passing of the special resolution set out in item 1; and

(ii) with effect on the Effective Date as defined in the Constitution (as amended by that special resolution), Ms PaulaDwyer be elected as a director of the Company."

**3 Directors' Remuneration**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of clause 14.8(a) of the Company's Constitution and Listing Rule 10.17, the maximum amount payable as remuneration to directors of the Company and its subsidiaries as directors' fees in any financial year be increased by $1,000,000 from $2,500,000 per annum to $3,500,000 per annum inclusive of all statutory superannuation guarantee contributions made by the Company and its subsidiaries on behalf of directors."

By Order of the Board

C R Chuter
Corporate Secretary
23 March 2007

**Voting Exclusion Statement:** Any vote cast on the resolution for Item 3 by any director or proposed director of the Company, or any associate of those persons, will be disregarded unless it is cast by:

- A person as proxy for a person who is entitled to vote in accordance with any direction on a proxy form; or
- The person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides

**Entitlement to Attend and Vote**

For the purpose of the meeting, persons who are registered holders of ordinary shares as at 7.00pm Sydney time on Friday 20 April 2007 will be voting members.

**Voting by Proxy**

Shareholders are entitled to appoint a proxy to vote on their behalf at the meeting and can do so by:

(a) completing the Proxy Form attached to this Notice of Meeting and returning it either;

- to the Company's Share Registry at Link Market Services, Level 12, 300 Queen Street, Brisbane (business hours only); or
- in the reply paid envelope provided; or
- by fax to Link Market Services on (02) 9287 0309; or

(b) by lodging the Proxy Vote online at www.linkmarketservices.com.au

To be valid, proxies must be received by the Company's Share Registry no later than 2.30 pm Brisbane time on Sunday, 22 April 2007 (48 hours before the commencement of the meeting).

The person appointed as proxy does not need to be a member of the Company and a shareholder can appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, a *Certificate of Appointment of a Corporate Representative* must also be lodged.

If a shareholder who has appointed a Proxy attends the meeting, the proxy appointment is suspended in accordance with the provisions of the Corporations Act.

An Explanatory Memorandum accompanies and forms part of this Notice of Meeting. Shareholders should read that document in full.

**If you are attending this meeting – please bring this notice with you**

**Suncorp-Metway Ltd**
ABN 66 010 831 722

# PROXY FORM

**Please return your Proxy form to:**
Link Market Services Limited
Level 12, 300 Queen Street, Brisbane, QLD 4000
PO Box A118, Sydney South NSW 1234 Australia
Telephone: 1300 882 012
Facsimile: (02) 9287 0309
ASX Code: SUN
Website: www.linkmarketservices.com.au

You can also lodge your vote on-line at www.linkmarketservices.com.au

**Appointment of Proxy**
I/We, being a member/s of Suncorp-Metway Ltd and entitled to attend and vote hereby appoint the following person as Proxy:

☐ **the** Chairman of the Meeting (mark box) **OR** ______ if you are NOT appointing the Chairman of the meeting as your proxy, please write the name of the person you wish to appoint as proxy (shareholders cannot appoint themselves).

or failing the person named or if no person is named, **the Chairman of the Meeting** to vote for me in accordance with the following directions (or if no directions are given, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at 2.30pm on Tuesday 24 April 2007 in Meeting Rooms 3 and 4 at the Brisbane Convention & Exhibition Centre, corner of Merivale and Glenelg Streets, South Brisbane or at any adjournment of that meeting. **The Chairman intends to vote undirected proxies in favour of the resolutions.**

**Voting Directions: To direct your proxy how to vote on any resolution please insert X in the appropriate box below. If you do not mark a box, your proxy may vote as he/she thinks fit.**

**SPECIAL BUSINESS**

| | For | Against | Abstain* |
|---|---|---|---|
| 1. Special Resolution to amend the Company Constitution | ☐ | ☐ | ☐ |
| 2. Election of Directors (a) Mr L Tutt | ☐ | ☐ | ☐ |
| (b) Mr E Kulk | ☐ | ☐ | ☐ |
| (c) Mr G Ricketts | ☐ | ☐ | ☐ |
| (d) Ms P Dwyer | ☐ | ☐ | ☐ |
| 3. Directors' Remuneration | ☐ | ☐ | ☐ |

**IMPORTANT: FOR ITEM 3 ABOVE**
☐ If the Chairman of the Meeting is your nominated proxy, or is appointed as proxy by default and you have not directed your proxy how to vote on Item 3 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he has an interest in the outcome of that Item and that votes cast by him for that Item, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 3 and your votes will not be counted in calculating the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 3.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes **will not** be counted.

**Appointment of Second Proxy:** A shareholder who is entitled to cast two or more votes may appoint up to two persons (whether shareholders or not) to attend the meeting and vote. If you appoint a second proxy, state below the proportion or number of your voting rights given to the proxy appointed on this form (an additional proxy form will be supplied on request). If you don't specify a proportion or number each proxy can exercise half of your voting rights.

**% or number** ______

**Lodgement of Proxy:** Only those proxies lodged with the Company's share registry, Link Market Services, no later than 2.30pm on Sunday 22 April 2007 (being 48 hours before the commencement of the meeting) will be considered valid. Instructions on how to lodge a proxy are provided in the Notice of Meeting on the reverse side of this form.

## SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

| Securityholder 1 (Individual) | Joint Securityholder 2 (Individual) | Joint Securityholder 3 (Individual) |
|---|---|---|
| | | |
| Sole Director and Sole Company Secretary | Director/Company Secretary (delete one) | Director |

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the *Corporations Act 2001* (Cwlth).

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

**SUN PRX742**

Suncorp-Metway Ltd ABN 66 010 831 722
Registered Office: Level 18 Suncorp Centre
36 Wickham Terrace, Brisbane Qld 4000

SUNCORP

# Explanatory Memorandum

## Extraordinary General Meeting – 24 April 2007

This Explanatory Memorandum accompanies the Notice of Extraordinary General Meeting for Suncorp-Metway Ltd (Suncorp) to be held at 2.30pm on Tuesday, 24 April 2007.

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

## Agenda Item 1: Amendment of the Constitution

On 21 October 2006, Suncorp and Promina Group Limited (Promina) entered into the Merger Implementation Agreement under which they agreed to merge their businesses by way of a scheme of arrangement.

The merger was implemented on 20 March 2007.

In accordance with the merger arrangements, Suncorp agreed to invite three directors of Promina – Leo Tutt, Ewoud Kulk and Geoffrey Ricketts – to join the Suncorp Board upon implementation of the scheme of arrangement (**the Promina directors**). Messrs Tutt, Kulk and Ricketts were appointed to the Suncorp Board on 20 March 2007.

Also in accordance with the merger arrangements, Suncorp has agreed to appoint Promina director Paula Dwyer to the Suncorp Board, subject to the amendment of certain Queensland legislation. The Company's Constitution must also be amended as outlined below.

The addition of the Promina directors to the Suncorp Board will reflect the significantly expanded scope of both Suncorp's activities and its shareholder base following the merger, and has the full support of the existing Suncorp Board.

### Maximum number of directors

Clause 14.1(a) of the Constitution currently provides that the number of directors of the Company shall not exceed 11 nor be less than seven.

The Company currently has 11 directors, and if Ms Dwyer is appointed, there would be 12 directors.

Accordingly, it is proposed to amend clause 14.1(a) of the Company's Constitution to increase the maximum number of directors from 11 to 13. While there are no current plans to increase the number of directors to 13, this proposed change will provide the Board with some flexibility during periods of transition, as changes to Board membership occur from time to time.

### Residency requirements for directors

Clause 14.2 of the Constitution currently provides that:

"A majority of Directors, including the managing director must be ordinarily resident in Queensland."

Section 64(1)(b) of the *State Financial Institutions and Metway Merger Facilitation Act 1996* (Qld) (**Facilitation Act**), currently requires the Company's Constitution to contain this provision.

The addition of Ms Dwyer to the Suncorp Board would mean that there would not be a majority of Suncorp directors ordinarily resident in Queensland.

The Queensland Government has indicated that it intends to propose the following amendments to the Facilitation Act which, if passed by the Queensland parliament, will enable the appointment of Ms Dwyer as a director of the Company:

Accordingly, it is proposed that clause 14.2 of the Constitution be amended so that, subject to the passing of the amendments to the Facilitation Act and to those amendments applying to the Company, at least the number of directors set out below, one of whom must be the managing director, must be ordinarily resident in Queensland.

The number of directors will be the number that is the greatest of the following:

- five;
- 40% of the total number of directors;
- if 40% of the total number of directors is not a whole number, the next highest whole number.

The notice of meeting includes a proposed resolution that Ms Dwyer be elected as a director of the Company conditional upon the resolution to amend the Constitution being passed and the amendment to the Facilitation Act becoming binding on the Company (see resolution 2(d)).

**The Board recommends that shareholders vote in favour of the special resolution to amend the Company's Constitution.**

## Agenda Item 2: Election of Directors

The notice of meeting contains resolutions for the election of Mr Leo Tutt, Mr Ewoud Kulk, Mr Geoffrey Ricketts and Ms Paula Dwyer, each of whom were formerly directors of Promina Group Limited.

As outlined above, the Suncorp Board appointed Messrs Tutt, Kulk and Ricketts as directors of the Company effective 20 March 2007. Ms Dwyer cannot be appointed as a director of the Company until the Constitution and the Facilitation Act are amended as described above.

Clause 14.6(b) of the Constitution provides that directors who are appointed by the Board hold office only until the next following annual general meeting.

Instead of waiting until the annual general meeting, it has been agreed that Messrs Tutt, Kulk and Ricketts will submit themselves for election at this meeting. They have each provided notice to the Company of their candidature for election at this meeting under clause 14.11 of the Constitution.

Similarly, rather than be appointed by the Board (assuming resolution 1 is passed) and then submit herself for election at the annual general meeting, it has been agreed that Ms Dywer will submit herself for election at this meeting. The resolution for election of Ms Dwyer is subject to, and conditional upon, the passing of resolution 1 and that resolution becoming unconditional.

If the nominated directors are elected at this meeting, they will not be required by clause 14.6(b) of the Constitution to seek election at the Company's annual general meeting later this year.

The Board recommends that shareholders vote in favour of the election of all nominated directors.



08378_13-03-07_A v8.indd 1 21/3/07 5:19:30 PM

**Details of the candidates are as follows:**

**Mr Leo Tutt** FCA, FAIM, FAICD

Leo Tutt was Chairman of Promina at the date of merger with Suncorp. Mr Tutt was appointed Chairman in 1996 of the entity that became Promina and has been a non-executive director of Promina and other companies within Promina Group in Australia since February 1994. Prior to joining the Promina Board, Mr Tutt was an executive director and the Chief Executive Australasia and Asia of Rexam plc (formerly Bowater plc) of the United Kingdom, from 1978 to 1996. Mr Tutt has over 29 years experience in the insurance sector as a non-executive director or Chairman with Phoenix Assurance Company Australia (1974 – 1982), Chairman of Friends Provident Life Assurance Co Ltd and a director of Friends Provident (UK) Life Office (1984 – 1994). He was also a director of Metway Bank Limited (1992 – 1996) and formerly Chairman of MIM Holdings Limited until that company's acquisition in 2003. Mr Tutt is also Chairman of Crane Group Limited.

**Mr Ewoud Kulk** BEcon

Ewoud Kulk was appointed a director of the entity that became Promina in June 1994. Mr Kulk has worked for entities that now comprise Promina Group in Australia since 1989 and was Managing Director of the Australian General Insurance Group from 1994 to 1998. Mr Kulk was appointed Group Director, Asia Pacific for Royal & Sun Alliance Insurance Group plc in March 1998 and continued in that role until his retirement in September 2003, whereupon he became a non-executive director of Promina. Mr Kulk is also a past president of the Insurance Council of Australia, and has over 25 years' experience in the insurance industry.

**Mr Geoffrey Ricketts** LLB (Hons)

Geoffrey Ricketts was appointed a non-executive director of Promina in February 2003. Prior to joining Promina, Mr Ricketts was Chairman of Royal & Sun Alliance's New Zealand (R&SA NZ) operations, having been a non-executive director of R&SA NZ for over ten years. Mr Ricketts is also Chairman of Lion Nathan Limited and a non-executive director of Spotless Group Limited and Todd Corporation Limited. He is a director of the Centre of Independent Studies. Mr Ricketts is a lawyer and a consultant for Russell McVeagh, Solicitors (Auckland and Wellington, New Zealand) and was a partner in that firm from 1973 until 2000.

**Ms Paula Dwyer** BComm, FCA, FAICD, FFin

Paula Dwyer was appointed a non-executive director of Promina in February 2003 and has served as Chairman of the Promina Board Audit Risk and Compliance Committee since then. Ms Dwyer is a chartered accountant by profession and during her 20 year executive career held senior positions in the securities, investment management and investment banking sectors. In particular, Ms Dwyer specialised in the provision of corporate financial advice to companies operating in regulated industries, including financial institutions and utilities. Ms Dwyer is also a non-executive director of Tabcorp Holdings Limited and Babcock & Brown Japan Property Management Limited and was formerly a non-executive director of David Jones Limited. Ms Dwyer is a member of the ASIC Business Consultative Panel (Melbourne Chapter) and Vice President of the Baker Heart Research Institute.

## Agenda Item 3: Directors' Remuneration – to increase the maximum aggregate remuneration available to non-executive directors

The current directors fee pool (maximum available to be paid as fees in any one year) of $2,500,000 was last reviewed in October 2004 when there were six non-executive directors on the Suncorp Board.

A number of factors should be considered in relation to the fee pool limit:

- The number of non-executive directors on the Suncorp Board is expected to increase from six to 10 at the conclusion of the Extraordinary General Meeting.
- The complexity of the Company's businesses (Incorporating those of Promina) will significantly increase as a result of the merger.
- There are Group companies with non-executive directors who are not also directors of Suncorp-Metway Limited. Fees paid to those directors are also included in the directors fee pool limit.

Although the current directors fee pool limit would not be exceeded in the current financial year the Board considers that an increase is warranted at this time so that it is appropriate for the size and complexity of the Company going forward. The aggregate amount actually paid to non-executive directors as board fees in any particular financial year will be disclosed in the remuneration report which forms part of the annual report and which is considered by shareholders at the annual general meeting.

Therefore, the Board recommends the directors fee pool be increased from $2,500,000 per annum to $3,500,000 per annum.

Directors, proposed directors and their associates may not vote on this resolution.

Shareholders should note:

- The amount approved as the maximum aggregate remuneration does not necessarily represent the amount which will actually be paid to non-executive directors in each financial year.
- Clause 14.8(a) of the Company's Constitution provides that the aggregate remuneration paid to the non-executive directors of the Company for services may not exceed the amount fixed by shareholders in general meeting.
- ASX Listing Rule 10.17 provides that the Company must not increase the total amount of directors' fees payable by the Company and its subsidiaries without the approval of its ordinary shareholders.
- The maximum aggregate amount does not include amounts paid to an executive director as part of their salary package.