

A circular, high-angle photograph of a city skyline at night, with numerous skyscrapers and lights reflected in a body of water in the foreground. The image is framed by a dark, circular border.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2017 Annual General Meeting (AGM) of shareholders of QBE Insurance Group Limited will be held on Wednesday, 3 May 2017 commencing at 10.00am Sydney time at:

Ballrooms 3 & 4,
The Westin Sydney,
1 Martin Place, Sydney,
New South Wales, 2000, Australia

2017 ANNUAL GENERAL MEETING
QBE INSURANCE GROUP LIMITED

Agenda

1. To receive and consider the annual financial report

and the reports of the directors and of the auditors of the Company for the year ended 31 December 2016.

2. To adopt the remuneration report

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

That the remuneration report of the Company for the financial year ended 31 December 2016 be adopted.

3. To increase the maximum aggregate fees payable to non-executive directors

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

That approval be given for the purposes of the constitution of the Company and the ASX Listing Rules (including ASX Listing Rule 10.17) and for all other purposes for an increase in the maximum aggregate fees payable to all non-executive directors of the Company from A\$3.5 million per financial year to A\$4.0 million per financial year, with effect from and including the financial year commenced 1 January 2017.

4. To elect directors

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

- (a) That Mr M Becker, who retires by rotation in accordance with rule 50 of the Company's constitution, be re-elected as a director of the Company.
- (b) That Ms K Lisson, who was appointed in accordance with rule 48(c) of the Company's constitution, be elected as a director of the Company.
- (c) That Mr M Wilkins, who was appointed in accordance with rule 48(c) of the Company's constitution, be elected as a director of the Company.

By order of the Board



Carolyn Scobie
Group General Counsel & Company Secretary

Sydney, 30 March 2017

Explanatory notes

Please refer, when reading these explanatory notes, to the Glossary of Key Terms which appears at the end of this document.

Each word of a defined term begins with a capital letter.

The Chairman of the AGM intends to vote all available proxy appointments in favour of all Resolutions, to the extent permitted by law.

RESOLUTION 2 Adoption of the Remuneration Report

The Board recommends that shareholders vote in favour of this Resolution.

Section 250R(2) of the Corporations Act requires the Company to put a resolution to the AGM for adoption of the Remuneration Report. The vote on the resolution will be advisory only and will not bind either the directors or the Company. However, the Board will take into consideration the outcome of voting on this resolution when assessing the remuneration policy for executives and NEDs in future.

RESOLUTION 3 To increase the maximum aggregate fees payable to non-executive directors

Noting that each NED has a personal interest in this Resolution, the NEDs do not make a recommendation to shareholders in relation to voting on this Resolution.

Mr Neal as Group CEO and Mr Regan as Group CFO recommend that shareholders vote in favour of this Resolution.

In accordance with Rule 51 of the Company's constitution and ASX Listing Rule 10.17, shareholders are being asked to approve an increase in the maximum aggregate fees payable each financial year to the NEDs.

The current Maximum Fees Cap of A\$3.5 million per financial year was approved by shareholders at the 2015 AGM. It is proposed that the Maximum Fees Cap be increased by A\$500,000 to A\$4.0 million per financial year, to apply with effect from and including the financial year commenced 1 January 2017.

Since the 2015 AGM the composition of the Board has continued to evolve, as part of a process over recent years aimed at achieving a broad range of skills, experience and expertise complementary to the Group's insurance activities. This is reflected in the appointment to the Board since the 2015 AGM of three new NEDs (a net increase of one NED) and expanded the committee structure in 2016 to include a new Operations and Technology Committee.

It is imperative that the Company remains able in the future to attract and retain NEDs with the appropriate experience, expertise, skills and diversity to oversee the Company's business and strategic direction. The Board is continuing to review its make-up to ensure that collectively the NEDs provide the skill-set appropriate to the scope, complexity and global nature of QBE's business, including relevant insurance industry and other professional experience, and specific geographical knowledge and understanding.

An increased Maximum Fees Cap will assist to achieve this aim where it is considered appropriate in the future to increase the number of NEDs to bring new attributes to the Board or otherwise to increase the diversity of membership on the Board. The Board also considers that it is important to provide for appropriate and coordinated Board succession planning, which may require a temporary increase in the number of NEDs during a transition period.

The directors consider the existing size of the Board to be reasonable in the Company's current circumstances. However, the directors also consider that it is important to have flexibility in relation to the Board's make-up, for the reasons outlined above, to ensure that the Board is always best-placed to serve the needs and interests of the Company and its shareholders.

Shareholders should also note that, even if the proposed new Maximum Fees Cap is approved, the Company may determine that the total amount paid to NEDs each financial year be less than the cap. The Company will, of course, in future continue to set the actual level of remuneration of its NEDs within the Maximum Fees Cap after having regard to independent external advice, market practice, Board performance and other appropriate factors. NEDs do not receive performance related remuneration and are not entitled to receive performance based shares, or options or rights over shares, in the Company. No shares in the Company have been issued to any NED under ASX Listing Rule 10.11 or 10.14 with the approval of shareholders at any time within the three years before the date of this Notice.

In 2016, NEDs received total fees and superannuation of A\$3.1 million. No increase to the individual fee basis is planned for 2017.

RESOLUTION 4

Election of directors

**(a) W. Marston (Marty) Becker - JD, BSBA
Chairman**



The Board (without Mr Becker voting) recommends that shareholders vote in favour of this Resolution.

Marty was appointed as an independent NED of QBE in August 2013 and Chairman in April 2014. Marty is a member of the Audit, Investment, Operations and Technology, Remuneration, and Risk and Capital Committees. Marty is the Chairman of West Virginia Media Holdings and previously served as President and CEO of Alterra Capital Holdings Limited. Marty has over 35 years' experience in general insurance, reinsurance, investment banking and private equity and has held various insurance and reinsurance executive positions.

**(b) Kathryn (Kathy) Lisson - B. Sc (Honours)
Non-executive Director**



The Board (without Ms Lisson voting) recommends that shareholders vote in favour of this Resolution.

Kathy was appointed as a NED in September 2016. Kathy is Chair of the Operations and Technology Committee, and a member of the Audit Committee. Until 2016, Kathy was a partner of Ernst & Young LLP, where she led the firm's Canadian Insurance Advisory practice, and before that she was the Chief Operating Officer for QBE European Operations. Previously, Kathy held senior roles at Price Waterhouse and Bank of Montreal in Canada, and at Barclays Bank and Brit Insurance Holdings in the UK.

**(c) Michael (Mike) Wilkins - B. Com, MBA
Independent Non-executive Director**



The Board (without Mr Wilkins voting) recommends that shareholders vote in favour of this Resolution.

Mike was appointed as an independent NED of QBE in November 2016. Mike is a member of the Audit, Operations and Technology, and Remuneration Committees. He was the Managing Director and CEO of Insurance Australia Group Limited until November 2015. He has more than 30 years of experience in financial services, including serving as Managing Director and CEO of Promina Group Limited and Managing Director of Tyndall Australia Limited. He is currently a NED of AMP Limited and has formerly held non-executive roles at Maple-Brown Abbott Limited and Alinta Limited.

Voting exclusion statements

The Company will apply the voting exclusions below to persons appointed as attorney by a shareholder to attend and vote at the AGM under a power of attorney, as if they were appointed as a proxy.

Resolution 2

Votes may not be cast, and the Company will disregard any votes cast, on Resolution 2:

1. by or on behalf of any KMP member whose remuneration details are included in the Remuneration Report, and by any of their Closely Related Parties, regardless of the capacity in which the votes are cast; and
2. by any person who is a KMP member as at the time the Resolution is voted on at the AGM, and by any of their Closely Related Parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on the Resolution:

- in accordance with a direction in the proxy appointment; or
- by the Chairman of the AGM in accordance with an express authorisation in the proxy appointment to cast the votes even if the Resolution is connected directly or indirectly with the remuneration of a KMP member.

Resolution 3

Votes may not be cast, and the Company will disregard any votes cast, on Resolution 3 by any director of the Company, and by any of their Associates. However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the AGM for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting notes

Determination of the entitlement to attend and vote

The Corporations Regulations 2001 (Cth) (regulation 7.11.37) permit the Company to specify a time, not more than 48 hours before a general meeting, at which a 'snapshot' of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting. For the purposes of the AGM, the Company's directors have determined that shares will be taken to be held by the persons who are registered as members as at **7:00pm** Sydney time on **Monday, 1 May 2017**. This means that if you are not the registered member in respect of a share at that time, you will not be entitled to vote in respect of that share.

Appointment of a proxy

If you wish to appoint a proxy, you can use the hard copy proxy form accompanying this Notice (as applicable). Hard copy proxy forms can also be obtained on request from the share registry.

A shareholder can also make a proxy appointment online by visiting the website www.investorvote.com.au and following the instructions provided. Certain custodians and other intermediaries who participate in the share registry's Intermediary Online system can also make a proxy appointment online via www.intermediaryonline.com in accordance with the instructions provided.

To be effective, hard copy proxy appointments must be received by the Company or the share registry, and online proxy appointments must be made, by no later than **10:00am** Sydney time on **Monday 1 May 2017**.

You may lodge your hard copy proxy appointments (and any proxy appointment authority) at the registered office of the Company, or with the share registry, Computershare Investor Services Pty Ltd, by one of the following methods:

1. using the enclosed reply paid envelope;
2. faxing to +(61 3) 9473 2555;
3. mailing to GPO Box 242, Melbourne VIC 3000 Australia; or
4. delivering in person to Level 4, 60 Carrington Street, Sydney.

To make your proxy appointment online at www.investorvote.com.au, you will need to enter your Shareholder Reference Number (**SRN**) or Holder Identification Number (**HIN**), postcode and Control Number, as shown on your proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions on the website. A proxy cannot be appointed online if they are appointed under a power of attorney or similar authority. The online proxy facility may not be suitable for some shareholders who wish to split their votes on an item of business or appoint two proxies with different voting directions. Please read the instructions for the online proxy facility carefully before you submit your proxy appointment using this facility.

In accordance with the Corporations Act, shareholders are notified that:

- (i) a shareholder who is entitled to attend and cast a vote at the AGM may appoint a proxy to attend and vote for the shareholder;
- (ii) the appointment may specify the proportion or number of votes that the proxy may exercise;
- (iii) a shareholder who is entitled to cast two or more votes on a resolution at the AGM may appoint two proxies and may specify the proportion or number of votes each proxy is entitled to exercise. If you appoint two proxies and the appointments do not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the shareholder's votes; and
- (iv) a proxy may be an individual or a body corporate and need not be a shareholder.

A proxy appointment is not revoked by the shareholder attending and taking part in the AGM unless the shareholder actually votes at the AGM on the resolution for which the proxy appointment is proposed to be used. Subject to the foregoing sentence and to the voting exclusions noted above, a proxy may vote as the proxy thinks fit on any motion or resolution in respect of which no manner of voting is indicated in the instrument of appointment.

If an appointed proxy does not attend the AGM, then the Chairman of the AGM will be taken to have been appointed as the proxy of the relevant shareholder in respect of the AGM. In addition, if a proxy attends the AGM and has been directed how to vote on a resolution, but the proxy does not vote on that resolution on a poll, then the Chairman of the AGM will be taken to have been appointed as the proxy of the relevant shareholder in respect of that poll.

If the Chairman of the AGM is appointed, or taken to be appointed, as a proxy, but the appointment does not specify the way to vote on a resolution, then the Chairman intends to exercise the relevant shareholder's votes in favour of the relevant resolution (subject to the voting exclusions noted above).

Shareholders who appoint a proxy should consider how they wish to direct the proxy to vote, that is, whether the shareholder wishes the proxy to vote "for" or "against", or to abstain from voting, on each resolution, or whether to leave the decision to the appointed proxy after discussion at the AGM (subject to the voting exclusions noted above).

You may split your voting direction by inserting the number of shares or percentage of shares that you wish to vote in the appropriate box. If you place a mark in the 'Abstain' box, your votes will not be counted in computing the required majority on a poll.

If you do not send your proxy form to the Company or the share registry, please bring it with you if you attend the AGM as it will assist in identifying you on entry. However, please note that you cannot lodge your proxy form at the AGM.

Corporate representatives

A shareholder, or proxy, that is a corporation and entitled to attend and vote at the AGM may appoint an individual to act as its corporate representative. Evidence of the appointment of a corporate representative must be in accordance with section 250D of the Corporations Act and be lodged with the Company before the AGM or at the registration desk on the day of the AGM.

Attorneys

A shareholder entitled to attend and vote at the AGM is entitled to appoint an attorney to attend and vote at the AGM on the shareholder's behalf. An attorney need not be a shareholder of the Company. The power of attorney appointing the attorney must be duly signed and specify the name of each of the shareholder, the Company and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

To be effective, the power of attorney must also be returned in the same manner, and by the same time, as outlined above for proxy forms.

Evidence of signing authority

If a proxy form or appointment of a corporate representative is signed on behalf of an individual or a corporation under power of attorney or other authority, the power of attorney or other authority under which the relevant instrument is signed, or a copy of that power of attorney or other authority, certified as a true copy by statutory declaration, must accompany the instrument unless the power of attorney or other authority has previously been noted by the Company's share registry.

Voting at the AGM

QBE plans for every resolution arising at the AGM to be decided on a poll. Upon a poll, every shareholder who is present in person or by proxy, or by representative or by attorney, will have one vote for each share held by that person.

Glossary of key terms

AGM	annual general meeting
Associate	has the meaning given in the ASX Listing Rules
ASX	ASX Limited, or the market operated by it
ASX Listing Rules	the official listing rules of ASX (as amended from time to time)
Board	board of directors of the Company
Closely Related Party	in relation to a KMP member: 1. a spouse or child of the member; 2. a child of the member's spouse; 3. a dependant of the member or of the member's spouse; 4. anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or 5. a company controlled by the member
Company or QBE	QBE Insurance Group Limited (ACN 008 485 014)
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Group	QBE and its controlled entities
Group CEO	Group Chief Executive Officer
Group CFO	Group Chief Financial Officer
KMP	key management personnel. The KMP members are those persons having authority and responsibility for planning, directing and controlling the activities of the QBE consolidated group, either directly or indirectly. The KMP members for the QBE consolidated group during the year ended 31 December 2016 are listed in the Remuneration Report
Maximum Fees Cap	the maximum aggregate fees payable each financial year to the NEDs
NEDs	non-executive directors of the Company
Remuneration Report	the report so named included in the Company's 2016 annual report
Resolution	the resolutions put forward for consideration by the shareholders of the Company at the 2017 AGM

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