

Notice is hereby given that the 2020 Annual General Meeting (AGM) of shareholders of QBE Insurance Group Limited is due to be held on 7 May 2020 commencing at 10.00am Sydney time.

QBE is closely monitoring the impact of the unprecedented COVID-19 virus in Australia, QBE is following guidance from the Federal and State Governments. This year, QBE's AGM will be held virtually. There will not be a physical meeting where shareholders can attend.

Shareholders are provided with various alternatives to participate in this meeting, including the ability to ask questions online or via teleconference. Details are provided below.

Participation at the AGM

Shareholders are invited to participate in QBE's AGM by:

1 Watch and participate live online

Shareholders can watch and participate in the AGM virtually via the online platform by using:

Computer, enter the following URL in your browser: <https://web.lumiagm.com> **or** **Mobile device**, use the Lumi AGM app

Please refer to the user guide on our website at www.qbe.com/agm

The meeting ID for QBE's AGM is: **348-159-742**

Your username is your SRN/HIN

Your password is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the user guide.

Participating at the meeting online, enables shareholders to view the AGM live, ask questions and cast direct votes at the appropriate times during the meeting.

2 Dial in tele-conference

Shareholders can dial into the teleconference and will be able to listen to the meeting live and ask questions on the phone.

Dial in numbers:

Australia TOLL-FREE: 1800 093 431

New Zealand TOLL-FREE: 0800 452 257

International: +61 2 8047 9393

Participant PIN Code:

26749522#

Voting options for the AGM

- ▷ Appointing a proxy
- ▷ Direct voting prior to the AGM
- ▷ Direct voting online during the AGM

Questions

Please note, only shareholders may ask questions online and on the telephone once they have been verified. It may not be possible to respond to all questions. It is encouraged to lodge questions prior to the meeting by completing and returning the enclosed shareholder questions form by Tuesday 5 May 2020. If you have received this form electronically, you can submit your question online at www.investorvote.com.au.

Future alternate arrangements

If it becomes necessary to make further alternative arrangements for holding QBE's AGM, we will ensure that shareholders are given as much notice as possible. Further information will be made available on our website, www.qbe.com/agm.



More information

Further information is available at www.qbe.com/agm

Agenda

Board Recommendations

Resolutions 2, 3 and 4 are **SUPPORTED** by the Board. The Board recommends shareholders vote **AGAINST** Resolution 5 promoted by Market Forces and Australian Ethical and requisitioned by a group of shareholders, and Resolution 6 promoted by The Colong Foundation for Wilderness Ltd and requisitioned by a group of shareholders.

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 2019.

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 2019 be adopted.

3. To approve the grant of Conditional Rights under the 2020 QBE LTI Plan to the Group Chief Executive Officer

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

In accordance with and subject to the terms of the Company's LTI Plan for 2020, that approval be given for all purposes, including ASX Listing Rule 10.14 and sections 200B and 200E of the *Corporations Act 2001* (Cth) for the grant of 295,147 Conditional Rights to acquire ordinary shares in the Company (with an initial maximum value of A\$4,400,000) for nil consideration to Mr Patrick Regan, a director of the Company, and for the acquisition of ordinary shares in the Company upon vesting of those Conditional Rights, in each case as described in the Explanatory Notes accompanying the Notice convening this meeting.

4. To elect directors

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

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

5. Resolutions promoted by Market Forces and Australian Ethical and requisitioned by a group of shareholders

(a) To amend the constitution

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

To insert into our company's constitution beneath 'Business of Annual and Other General Meetings' the following new sub-clause 32(c): "The company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material financial relevance and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company."

(b) Exposure Reduction Targets

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

Shareholders request that the company disclose short, medium and long-term targets to reduce investment and underwriting exposure to oil and gas assets, along with plans and progress to achieve the targets set. The targets should be consistent with the climate goals of the Paris Agreement. This information should be published annually, starting with the 2021 annual report.

Note: Item 5(b) contains an "advisory resolution" and may be properly considered at the meeting only if the resolution in item 5(a) is passed by special resolution. If the resolution in item 5(a) is not passed, this resolution will not be put to the meeting.

The Board unanimously recommends that shareholders vote against the resolutions set out in items 5(a) and, if necessary, 5(b) for the reasons set out in the Explanatory Notes on pages 6 and 7. The Chairman of the meeting intends to vote undirected proxies against the resolutions set out in items 5(a) and 5(b).

6. Resolutions promoted by The Colong Foundation for Wilderness Ltd and requisitioned by a group of shareholders

(a) To amend the constitution

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

To insert into our company's constitution beneath 'Business of Annual and Other General Meetings' the following new sub-clause 32(c): "The company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material financial relevance and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company."

(b) QBE World Heritage policy

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

Shareholders request that the company develop a policy which guarantees QBE does not invest in, insure or advocate [1] for any projects or works that could result in negative impacts occurring within the boundaries of a World Heritage or Ramsar property.

[1] Advocacy defined as taking a public position in favour of such projects through advertising, lobbying, press releases, formulation of company policy or allowing industry bodies that represent the company to undertake any such activity on behalf of the company.

The Board unanimously recommends that shareholders vote against the resolutions set out in items 6(a) and, if necessary, 6(b) for the reasons set out in the Explanatory Notes on pages 7 and 8. The Chairman of the meeting intends to vote undirected proxies against the resolutions set out in items 6(a) and 6(b).

By order of the Board



Carolyn Scobie
Group General Counsel & Company Secretary

Sydney, 1 April 2020

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 Resolutions 2, 3 and 4 and **AGAINST** Resolutions 5(a) and 6(a), and if necessary, 5(b) and 6(b), in each case 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 values shareholder feedback and will take into consideration the outcome of voting on this resolution when assessing remuneration policy for executives and NEDs in future.

The Board presents the Remuneration Report to shareholders for consideration and adoption.

The Remuneration Report contains information about QBE's remuneration policy and practices on pages 60 to 80 of the 2019 Annual Report, which is available on the Company's website at www.qbe.com.

RESOLUTION 3 Grant of Conditional Rights under the 2020 LTI Plan to the Group Chief Executive Officer (CEO)

The Board, without Mr Regan voting, recommends that shareholders vote **IN FAVOUR** of this Resolution.

(a) Background

Mr Regan's 2020 annual remuneration package includes:

- (i) fixed remuneration (base salary and packaged benefits) of A\$2.2 million;
- (ii) a target STI opportunity of 133% of his fixed remuneration, subject to the achievement of performance measures approved by the Board. 50% of any STI award comprises deferred Conditional Rights that vest in equal tranches over two years, with the other 50% being a cash payment; and
- (iii) an LTI grant comprising LTI Plan Conditional Rights up to 200% of his fixed remuneration (subject to shareholder approval, as described further below).

Shareholders are asked to approve the award of 2020 LTI Plan Conditional Rights to the Group CEO to preserve flexibility in the operation in the LTI Plan (so that the relevant QBE shares can be either transferred or issued), and in the interests of good corporate governance, shareholder engagement and transparency.

(b) LTI grant for 2020

The Board, in Mr Regan's absence, approved a maximum number of Conditional Rights to be granted under the LTI Plan for the 2020 financial year.

Subject to shareholder approval, 295,147 LTI Plan Conditional Rights will be granted to Mr Regan for nil consideration with effect from the Grant Date. If shareholder approval is obtained, it is intended that LTI Plan Conditional Rights will be granted shortly after the AGM, but in any event, within 12 months of the date of the meeting.

The number of LTI Plan Conditional Rights to be granted under the LTI Plan for the 2020 financial year has been calculated by dividing the dollar amount of the award under the LTI Plan (A\$4,400,000) by A\$14.91, being the volume weighted average sale price of QBE shares on the ASX over the five trading days from 17 February 2020 (the date QBE's 2019 financial results were announced) to 21 February 2020 (inclusive).

The Company uses LTI Plan Conditional Rights to create long-term alignment between Mr Regan and shareholders. Under the LTI Plan, two performance targets apply to LTI Plan Conditional Rights. These are:

1. the three-year average Group cash return on equity for 50% of any grant (**Group Cash ROE component**); and
2. a relative TSR measure for the other 50% of any grant consisting of two equally weighted comparator groups (**TSR component**).

The performance targets are measured over a three-year Performance Period commencing on 1 January 2020 and ending on 31 December 2022 (Performance Period).

The performance targets operate independently.

Given the percentage of LTI Plan Conditional Rights which may vest is based on achievement of performance targets (described below), the actual number of securities which Mr Regan will be entitled to acquire under the LTI Plan cannot be determined until the end of the Performance Periods.

Group Cash ROE component

The Group Cash ROE component for LTI purposes is calculated as the arithmetic average of the three annual cash returns on equity over the Performance Period assessed against targets set in the context of the three-year business plan.

The proportion of Conditional Rights in the Group Cash ROE component that may vest is determined in accordance with the following table (subject to the People & Remuneration Committee's discretion):

GROUP CASH ROE PERFORMANCE (FOR 50% OF AWARD)	% OF LTI PLAN CONDITIONAL RIGHTS IN THE GROUP CASH ROE COMPONENT TO VEST
Below 8.0%	0%
At 8.0%	30%
Between 8.0% and 12%	Straight line between 30% and 100%
At or above 12%	100%

Addressing catastrophe risk

Managing catastrophe risk is a core part of our business, with natural flow-through consequences for STI awards across the organisation. However, because the LTI performance period extends over three years, extreme or benign catastrophe periods can have a material effect across multiple LTI awards.

A levelling mechanism, which effectively puts a ceiling and a floor on aggregate catastrophe claims when determining LTI outcomes, was built into the plan from 2019, and will continue for 2020.

This levelling mechanism uses a range of +/- 1.5% of net earned premium either side of the budgeted catastrophe allowance for which LTI Plan participants are exposed to catastrophe risk. For 2020 (being the first year of the Performance Period), the range is \$375 million to \$725 million.

This means where actual aggregate catastrophe claims (after allowing for reinsurance recoveries) exceed \$725 million, aggregate catastrophe claims are capped at this amount for calculating Group Cash ROE. Conversely, in a very benign period, the lower limit of the collar (\$375 million) provides a floor on aggregate catastrophe claims for calculating Group Cash ROE.

The People & Remuneration Committee retain a broad discretion to adjust for items not included in the business plan and deemed appropriate by the People & Remuneration Committee.

TSR component

The proportion of Conditional Rights in the TSR component that may vest is determined in accordance with the following table:

QBE TSR RANKING RELATIVE TO THE COMPARATOR GROUP (FOR 50% OF AWARD)	PERCENTAGE OF LTI PLAN CONDITIONAL RIGHTS IN THE TSR COMPONENT TO VEST
Less than the 50th percentile	0%
At the 50th percentile	50%
Between 50th and 75th percentile	50% plus 2% for each percentile rank above the 50th percentile
75th percentile or greater	100%

The TSR component consists of two equally weighted comparator groups, a Global Insurance Peer Group and an ASX 50 Peer Group (excluding companies domiciled outside of Australia). The two comparator groups operate independently.

The composition of each of the comparator groups is included in the Glossary.

Provided the performance targets and other conditions have been met, the LTI Plan Conditional Rights will vest in three approximately equal tranches, with the first tranche vesting on 23 February 2023 at the end of the Performance Period, and the second and third tranches vesting on 23 February 2024 and 23 February 2025 respectively.

The table below shows what may happen to LTI Plan Conditional Rights under the LTI Plan if employment of Mr Regan ceases prior to Conditional Rights vesting:

REASONS FOR CEASING EMPLOYMENT	EFFECT ON UNVESTED LTI PLAN CONDITIONAL RIGHTS
1. Redundancy	Unvested LTI Plan Conditional Rights may be reduced to a pro-rata amount reflecting the proportion of the Performance Period for which Mr Regan was in service, with vesting subject to the same performance targets and retention period had Mr Regan remained employed within the QBE Group
2. Sale of business (in certain circumstances)	
3. Retirement (with agreement from employer)	Unvested LTI Plan Conditional Rights may vest and be immediately converted with the resulting QBE shares released to Mr Regan's estate
4. Totally and permanently disabled	
5. Death	Unvested LTI Plan Conditional Rights may vest as per 1 to 4 above
6. Termination by agreement (in certain circumstances where a deed of release has been executed)	
7. Any other termination, or on giving notice of such termination (including, but not limited to, resignation, termination without notice, poor performance, and serious misconduct)	Lapse immediately

(c) General information on Resolution 3

During the vesting period, notional dividends will accrue on unvested LTI Plan Conditional Rights at each dividend payment date. The accumulated notional dividends will generally be provided in the form of additional QBE shares at vesting and will be subject to the terms and conditions of the LTI Plan as if they formed part of the original grant of LTI Plan Conditional Rights.

The People & Remuneration Committee may adjust any unvested LTI Plan Conditional Rights downward, to zero if appropriate, if there is any Malus.

Mr Regan received 345,055 LTI Plan Conditional Rights since the 2019 AGM (as approved at the 2019 AGM). The acquisition price for those Conditional Rights was nil. No other directors or other Associates of directors have received either shares or Conditional Rights under the LTI Plan.

Other than Mr Regan, there are no other directors and no other Associates of directors who are presently entitled to participate in the LTI Plan, and no additional director who becomes entitled to participate in the LTI Plan will participate until approval is obtained under ASX Listing Rule 10.14.

Conditional Rights issued under the LTI Plan will be published each year in the Annual Report. The Annual Report will note that approval for issue of those securities was obtained under ASX Listing Rule 10.14.

If approval is given under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

Explanatory notes continued

RESOLUTION 4 Election of directors

(a) Ms Kathryn (Kathy) Lisson – B. Sc (Honours) Independent non-executive director



*The Board, without Ms Lisson voting, recommends that shareholders vote **IN FAVOUR** of this Resolution.*

Ms Lisson was appointed as a non-executive director in September 2016. Kathy is Chair of the Operations & Technology Committee and a member of the Audit Committee. Kathy has over 30 years' experience across insurance and banking in technology, operations and management. In England, she was Chief Operating Officer for two insurance companies (QBE Europe and Brit Insurance) and Operational Transformation Director at Barclays Bank, which included delivering global solutions in digital technology, cyber security and IT risk. In Canada, Kathy held several executive positions at Bank of Montreal, including President of its Mortgage Corporation and EVP Technology Strategy and Delivery. Kathy was also a senior partner at Ernst & Young and Price Waterhouse in Canada, leading their insurance and banking advisory practices. Kathy has previously held non-executive director roles in the UK and in Canada.

(b) Mr Michael (Mike) Wilkins – (AO) B Com, MBA, FCA, FAICD Independent non-executive director



*The Board, without Mr Wilkins voting, recommends that shareholders vote **IN FAVOUR** of this Resolution.*

Mr Wilkins was appointed as an independent non-executive director of QBE in November 2016 and Chairman effective 1 March 2020. Mike is Deputy Chairman of the People & Remuneration Committee and a member of the Audit and Operations & Technology Committees. Mike has more than 30 years' experience in financial services. He was the Managing Director and CEO of Insurance Australia Group Limited until November 2015 and previously served as Managing Director and CEO of Promina Group Limited and Managing Director of Tyndall Australia Limited. He is currently a non-executive director of Medibank Private Limited (appointed May 2017) and previously served as a non-executive director of AMP Limited (September 2016 to February 2020), Alinta Limited, Maple-Brown Abbott Limited, The Geneva Association and the Australian Business and Community Network. Mike was the founding member of the Australian Business Roundtable for Disaster Resilience & Safer Communities from 2013 until his retirement in 2015.

RESOLUTION 5 Resolutions promoted by Market Forces and Australian Ethical and requisitioned by a group of shareholders

(a) To amend the Constitution

*The Board recommends that shareholders vote **AGAINST** this Resolution.*

A small group of shareholders has proposed the resolution in item 5(a) under section 249N of the Corporations Act and requested pursuant to section 249P of the Corporations Act that the statement set out in Appendix 1 to this notice be provided to shareholders.

The Board's response

The Board respects the rights of shareholders to request a change to the Constitution. The Board does not, however, believe that the requisitioned resolution is in the best interests of all shareholders.

The Board considers that the proposed amendment put forward by Market Forces and Australian Ethical gives rise to a number of practical difficulties and uncertainties, including undermining the authority and accountability of the directors. The Board considers that to permit resolutions which are advisory would create uncertainty and confusion, whereas the division of responsibility for decision-making between the Board and shareholders needs to be clear.

The Board represents and serves the interests of all shareholders by providing guidance and oversight of the Company's strategies, policies and performance. In order to do this effectively, the directors must consider a range of issues relevant to QBE's business. QBE is a large and complex organisation, with a diverse portfolio both geographically and in terms of portfolio mix. Directors must balance the issues faced by multiple stakeholders that are part of operating a global business.

The Board must have the ability to make decisions about the business of the Company so that it can meet its obligation to act in the best interests of all shareholders. The amendment proposed by Market Forces and Australian Ethical would impact the Board's ability to make these decisions effectively and confuse the role of the Board and shareholders.

Shareholders already have a number of ways to engage with the Company. QBE has a comprehensive investor relations engagement program that facilitates effective communication with its investors. There is regular and extensive engagement between QBE (at Chairman, NED and management level) and its institutional shareholders and matters related to environmental, social and governance considerations, as well as climate risk, are regularly a significant part of this engagement. The discussions help shape our approach to these issues, and we report on our progress through our Sustainability Report and the "Climate – our approach to risks and opportunities" section of our Annual Report.

Shareholders also have the right to ask questions or make comments regarding the Company's business at any time, including under item 1 of the Notice of Meeting at the AGM. We also provide a question form with every Notice of Meeting encouraging shareholders to submit questions about the Company. If shareholders disapprove of actions taken by the directors, shareholders can refuse to re-elect them or remove them from office by ordinary resolution.

The proposed resolution does not provide an appropriate forum for all shareholders to have input into a discussion about the business of the Company. It is not in the best interests of all shareholders, and accordingly the Board recommends shareholders vote **AGAINST** this resolution.

(b) To publish exposure reduction targets

*The Board recommends that shareholders vote **AGAINST** this Resolution.*

The same small group of shareholders as for item 5(a) has proposed the resolution in item 5(b) under section 249N of the Corporations Act and requested pursuant to section 249P of the Corporations Act that the statement set out in Appendix 2 to this notice be provided to shareholders.

The Board's response

The resolution is an 'advisory resolution' and may be properly considered at the meeting only if item 5(a) is passed by special resolution. If item 5(a) is not passed, this item will not be put to the meeting.

The Board acknowledges that climate change is a material risk for QBE, impacting our business and our customers. We support the Paris Agreement and recognise that a failure to rapidly decarbonise our economies will lead to increasingly volatile and severe weather-related events with significant economic consequences.

QBE supports the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD). Since 2018, we have been systematically and methodically taking the tangible actions necessary to fully implement the TCFD's 11 recommendations spanning governance, strategy, risk management and metrics and targets.

Our implementation plan is detailed in our three-year Climate Change Action Plan 2018–2020 (Plan), which is published in our 2019 Annual Report. It describes the steps we have already taken to strengthen the governance and management of climate-related risks within our business, as well as our progress on disclosing the actual and potential material impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

Consistent with our Plan, in late 2018 we commenced a review of our investment portfolio and investment strategy to minimise transition risks and reduce our exposures to climate risk. We also conducted a detailed analysis of our energy portfolio, as the first of the priority underwriting portfolios. This led to the development of our Group Energy Policy which we published in March 2019. This Policy details our commitment to maintain zero direct financial investment in thermal coal from 1 July 2019, and to phase out all direct insurance services for thermal coal customers by 2030, at the latest.

In 2019, we focused on identifying risks and opportunities across our underwriting and investment portfolios and developing our strategic responses. The output of this work is detailed in our 2019 Annual Report and continues into 2020.

In 2019, we also set new climate-related operational performance targets for energy use, renewable electricity and science-based Scope 1 and 2 emissions. We were the first Australian insurer to join the RE100 – a global initiative, led by The Climate Group and the CDP, which brings together over 200 businesses committed to 100% renewable electricity and as at 31 December 2019 we were more than 60% of the way towards our goal.

We maintained carbon neutrality across our global operations in 2019 and we have recently doubled our ambition for investments that have additional social and environmental benefits to \$2 billion by 2025. Our intent is for more than half of this amount to be focussed on environmentally impactful investments, particularly renewable energy projects.

Our progress has been externally recognised, with our CDP score jumping two places to 'B' in 2019, and QBE being listed as the top-ranked Australian headquartered insurance company on the Dow Jones Sustainability Index.

Metrics and targets

Consistent with our Climate Change Action Plan, in 2019 QBE commenced work on evaluating metrics and targets for assessing climate-related risks and opportunities that are in line with strategy and risk management processes.

We have committed to setting metrics and targets to measure and monitor climate-related risks and opportunities relating to our investment and underwriting activities in 2020.

Importantly, the Board notes that the scope of these targets will be portfolio-wide – not just confined to oil and gas as the proposed resolution asks – and these will be published in our 2020 Annual Report. This is one-year earlier than the timing described in the proposed resolution.

Recommendation

The Board believes it is essential that we continue to work through the commitments we have made in our Climate Change Action Plan in a methodical and coordinated way, consistent with the TCFD recommendations.

QBE has a proven track record in delivering on its commitments in this important area. In light of the significant progress we have made in the implementation of our Climate Change Action Plan, the significant program of work we have described for 2020 and our intention to publish metrics and targets in the 2020 annual report, the Board recommends shareholders vote **AGAINST** this resolution.

**RESOLUTION 6
Resolutions promoted by The Colong
Foundation for Wilderness Ltd and
requisitioned by a group of shareholders**

(a) To amend the Constitution

*The Board recommends that shareholders vote **AGAINST** this Resolution.*

Another small group of shareholders has proposed the resolution in item 6(a) under section 249N of the Corporations Act and requested pursuant to section 249P of the Corporations Act that the statement set out in Appendix 3 to this Notice be provided to shareholders.

Explanatory notes continued

The Board's response

The Board respects the rights of shareholders to request a change to the Constitution. The Board does not, however, believe that the requisitioned resolution is in the best interests of all shareholders. The Board considers that the proposed amendment put forward by The Colong Foundation for Wilderness Ltd gives rise to a number of practical difficulties and uncertainties, including undermining the authority and accountability of the directors. The Board considers that to permit resolutions which are advisory would create uncertainty and confusion, whereas the division of responsibility for decision-making between the Board and shareholders needs to be clear.

The Board represents and serves the interests of all shareholders by providing guidance and oversight of the Company's strategies, policies and performance. In order to do this effectively, the directors must consider a range of issues relevant to QBE's business. QBE is a large and complex organisation, with a diverse portfolio both geographically and in terms of portfolio mix. Directors must balance the issues faced by multiple stakeholders that are part of operating a global business.

The Board must have the ability to make decisions about the business of the Company so that it can meet its obligation to act in the best interests of all shareholders. The amendment proposed by The Colong Foundation for Wilderness Ltd would impact the Board's ability to make these decisions effectively and confuse the role of the Board and shareholders.

Shareholders already have a number of ways to engage with the Company. QBE has a comprehensive investor relations engagement program that facilitates effective communication with its investors.

Shareholders also have the right to ask questions or make comments regarding the Company's business at any time, including under item 1 of the Notice of Meeting at the AGM. We also provide a question form with every Notice of Meeting encouraging shareholders to submit questions about the Company. If shareholders disapprove of actions taken by the directors, shareholders can refuse to re-elect them or remove them from office by ordinary resolution.

The proposed resolution does not provide an appropriate forum for all shareholders to have input into a discussion about the business of the Company. It is not in the best interests of all shareholders, and accordingly the Board recommends shareholders vote **AGAINST** this resolution.

(b) QBE World Heritage policy

*The Board recommends that shareholders vote **AGAINST** this Resolution.*

The same small group of shareholders as for item 6(a) has proposed the resolution in item 6(b) under section 249N of the Corporations Act and requested pursuant to section 249P of the Corporations Act that the statement set out in Appendix 3 to this Notice be provided to shareholders.

The Board's response

The Resolution is an 'advisory resolution' and may be properly considered at the meeting only if item 6(a) is passed by special resolution. If item 6(a) is not passed, this item will not be put to the meeting.

Our approach to sustainability

We are committed to integrating sustainability and managing environmental, social and governance (ESG) risks into every facet of our operations. We believe this is essential to the long-term future success of our business and our ability to deliver on our organisational purpose.

As part of this integration, QBE is a member of the United Nations Environment Program Finance Initiative (UNEP FI) and a signatory to UNEP FI's Principles for Responsible Investment (PRI) and Principles for Sustainable Insurance (PSI). The PSI provides a global framework for the insurance industry to address ESG risks and opportunities.

In October 2019, the PSI together with WWF and the UN Educational, Scientific and Cultural Organisation (UNESCO) World Heritage Centre published the first-ever global insurance industry guide to the protection of World Heritage sites. The guide *Protecting our World Heritage, Insuring a Sustainable Future* highlights the increasingly important role that the industry needs to play in protecting World Heritage Sites. It explains the risks that insurers face and provides practical tools and a set of basic and advanced recommendations that insurers can implement in their risk management, insurance and investment activities to protect World Heritage Sites, while tackling biodiversity loss and ecosystem degradation.

QBE is supportive of the guide and notes that some of the recommendations are already established practice within our ESG Risk Standard. QBE will use this guide to inform future enhancements to our approach to ESG in underwriting and investment, including our consideration of World Heritage Sites. This may include the development of a specific World Heritage Policy over time.

Warragamba Dam

The proponents for this resolution cite the proposed raising of the Warragamba Dam wall in Sydney, Australia, as an example of a development of a project that has the potential to impact the World Heritage values of the Greater Blue Mountains World Heritage Area.

QBE is aware of this proposal and the potential for it to mitigate the significant existing flood risk on the Hawkesbury Nepean floodplain and protect downstream communities. We are also aware of concerns about the potential for such a project to impact on a range of cultural, environmental and heritage values, including World Heritage and Ramsar Convention values.

We believe that it is essential that these potential impacts be properly considered and evaluated through a thorough and rigorous assessment by all levels of government and against all of Australia's relevant national and international obligations.

We understand that such an assessment is now underway and that community engagement has been ongoing for some time ahead of the release of an Environmental Impact Statement. We fully support the opportunity this provides for all stakeholders to formally voice their support for the proposal or to raise concerns and objections. We encourage all stakeholders, including the proponents of this Resolution, to formally engage through this consultation process.

Recommendation

Given QBE's well-developed approach to the governance and management of sustainability and ESG risks within its business, and our commitment to the continued evolution of this approach, including incorporating the recommendations of the first-ever global insurance industry guide to the protection of World Heritage sites, produced by PSI, WWF and UNESCO World Heritage Centre, QBE recommends shareholders vote **AGAINST** this Resolution.

Voting exclusion statements

The Company will apply the voting exclusions below to persons appointed as attorney by a shareholder to participate 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 by or on behalf of:

1. 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. 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 as an attorney;
- by the Chairman of the AGM in accordance with an express authorisation in the proxy appointment or as an attorney to cast the votes even if the Resolution is connected directly or indirectly with the remuneration of a KMP member; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Resolution 3

Votes may not be cast, and the Company will disregard any votes cast, in favour of Resolution 3 by or on behalf of:

1. Mr Regan and any of his Associates, regardless of the capacity in which the votes are cast; and
2. any person who is a KMP member as at the time the relevant 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 relevant resolution:

- in accordance with a direction in the proxy appointment or as an attorney;
- by the Chairman of the AGM in accordance with an express authorisation in the proxy appointment or as an attorney to cast the votes even if the relevant resolution is connected directly or indirectly with the remuneration of a KMP member; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Voting notes

Determination of the entitlement to participate 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 **5 May 2020**. 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 voting form accompanying this Notice (as applicable). Hard copy voting forms can also be obtained on request from the share registry, Computershare Investor Services Pty Ltd.

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 accordance www.intermediaryonline.com in 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 **5 May 2020**.

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, by one of the following methods:

1. using the enclosed reply paid envelope;
2. faxing to +(61 3) 9473 2555; or
3. mailing to GPO Box 242, Melbourne VIC 3000 Australia.

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 voting form. You will be taken to have signed the voting 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:

- (a) a shareholder who is entitled to participate and cast a vote at the AGM may appoint a proxy to participate and vote for the shareholder;
- (b) the appointment may specify the proportion or number of votes that the proxy may exercise;
- (c) 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
- (d) a proxy may be an individual or a body corporate and need not be a shareholder.

Voting notes continued

A proxy appointment is not revoked by the shareholder participating 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 participate at 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 participates at 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 resolutions 2–4 and against 5(a) and 6(a) and if necessary, 5(b) and 6(b) (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.

Corporate representatives

A shareholder, or proxy, that is a corporation and entitled to participate 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.

Attorneys

A shareholder entitled to participate and vote at the AGM is entitled to appoint an attorney to participate 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 voting forms.

Evidence of signing authority

If a voting 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.

Submit a direct vote prior to the AGM

If you wish to submit a direct vote, you can complete and return the voting form or lodge a direct vote online by visiting the website www.investorvote.com.au and following the instructions provided. You will then not need to appoint a proxy to act on your behalf.

To be effective, hard copy voting forms must be received by the Company or the share registry, and online direct votes must be lodged, by no later than **10:00am** Sydney time on **5 May 2020**.

In order to make a valid direct vote, you must complete the voting directions for each item by marking 'For', 'Against' or 'Abstain'. Votes will only be valid for items marked. No vote will be counted for items left blank. However, if the voting form is left blank for all items, the Chairman of the AGM will be taken to be your appointed proxy for all items.

The Chairman intends to exercise the relevant shareholder's votes in favour of resolutions 2–4 and against 5(a) and 6(a) and if necessary, 5(b) and 6(b) (subject to the voting exclusions noted above).

Direct voting online during the AGM

Shareholders can watch and participate in the AGM virtually via the online platform by using:

- **Computer**, enter the following URL in your browser: <https://web.lumiagm.com>
- **Mobile device**, use the Lumi AGM app

The meeting ID for QBE's AGM is:
348-159-742

Your username is your SRN/HIN

Your password is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the user guide.

Participating in the meeting online, enables shareholders to view the AGM live, ask questions and cast direct votes at the appropriate times during the meeting.

Please refer to the user guide on our website at:
www.qbe.com/agm

Appendices

The comments in Appendix 1 and 2 were provided by Market Forces and Australian Ethical and are not endorsed by the Board.

The comments in Appendix 3 and 4 were provided by The Colong Foundation for Wilderness Ltd and are not endorsed by the Board.

Appendix 1 Resolution 5(a) - Amendment to the Constitution

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions other than Australia. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. As a matter of practice, typically, unless the board permits it, Australian shareholders cannot follow the example of their UK, US, New Zealand or Canadian cousins in this respect.

A board of Directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In rare situations the appropriate course of action for shareholders dissatisfied with the conduct of board members is to seek to remove them. But in many situations such a personality-focused approach is unproductive and unwarranted. In those situations a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings such as the AGM to alert board members that the shareholders seek more information or favour a particular approach to corporate policy.

The Constitution of QBE is not conducive to the right of shareholders to place resolutions on the agenda of a shareholder meeting.

In our view, this is contrary to the long-term interests of QBE, the QBE board and all QBE shareholders.

Passage of this resolution – to amend the QBE constitution – will simply put QBE in a similar position in regard to shareholder resolutions as any listed company in the UK, US, Canada or New Zealand, and in a similar position to other listed Australian companies if shareholders support equivalent resolutions for improved governance at other Australian company AGMs.

We encourage shareholders to vote in favour of this resolution.

Appendix 2 Resolution 5(b) - To publish Exposure Reduction Targets

The oil and gas sectors are major contributors to global warming. Combined they produce more greenhouse gas emissions than coal¹. These sectors are major contributors to QBE's exposure to climate risk and therefore, this resolution is proposed in order to protect the long-term interests of the company, noting that:

- As recognised by the QBE Board, climate change is already impacting QBE's profitability and any rise in global warming increases the risk profile of climate change impacts to its financial health;
- a primary driver of global warming is the oil and gas industry, which QBE is exposed to through investments and underwriting;
- while QBE is working on disclosures of climate risks and opportunities, there are no plans to reduce or restrict oil and gas exposure through investments and underwriting, activities that present a fundamental threat to our bottom line; and
- to be a credible public proponent for action that mitigates and builds resilience to climate change impacts, QBE should have its own house in order. Its current support for oil and gas expansion puts it out of line with the Paris Agreement.

To limit warming to 1.5 degrees oil and gas must not expand

"If we built no more fossil fuel infrastructure and instead replaced existing infrastructure at the end of its productive life with a zero carbon alternative we could limit peak temperature rise to 1.5°C – as long as we start now." – Chris Smith, Research Fellow in Physical Climate Change, University of Leeds².

Like coal, expansion of the oil and gas industry will undermine global efforts to limit global warming to 1.5°C.

In the 2018 IPCC report on 1.5°C³, model pathways with no or limited overshoot of 1.5°C of warming showed that global net anthropogenic CO₂ emissions must decline by about 45% from 2010 levels by 2030, reaching net zero around 2050⁴.

The IPCC report shows that the use of oil for primary energy must be reduced between 2020 and 2030 in all pathways that do not result in high overshoot of the 1.5°C target. Gas use for both primary energy and electricity generation decreases between 2020 and 2030 in the majority of these scenarios⁵.

The scenarios that show an increase in gas use require "widespread deployment of CCS" (carbon capture and storage)⁶, a technology that has failed to demonstrate viability⁷, as QBE acknowledges in its Energy Policy.

Any support QBE provides, either through underwriting or investment, to an oil or gas expansion project directly or companies expanding the scale of these sectors, is inconsistent with the 1.5°C goal.

1 <https://theconversation.com/carbon-emissions-will-reach-37-billion-tonnes-in-2018-a-record-high-108041>

2 <https://theconversation.com/immediate-phase-out-of-fossil-fuels-could-keep-warming-below-1-5-c-109672>

3 https://www.ipcc.ch/site/assets/uploads/sites/2/2019/02/SR15_Chapter2_Low_Res.pdf

4 Ibid, page 95

5 Ibid, page 132

6 Ibid, page 97

7 <https://theconversation.com/its-time-to-accept-carbon-capture-has-failed-heres-what-we-should-do-instead-82929>

Appendices continued

More gas is a detour, not a transition

In our Energy Policy QBE describes natural gas as a “transitional fuel” which will “accelerate the curtailment of thermal coal”. This claim doesn’t stand up to the most basic scrutiny. QBE’s Board has failed to explain how this “gas transition” takes effect, given the claim would need to be supported by specific energy and economic modelling.

As coal electricity generation comes to the end of its life, it must be replaced with renewable energy (and storage) rather than polluting natural gas in order to keep warming below 1.5 degrees.

Building new natural gas electricity generation, which locks in carbon emissions for decades to come, when renewable energy technology is not only available, but cheaper⁸, does not make climate or economic sense. It is in fact more likely that new gas power capacity is preventing opportunities that would otherwise have been available to renewable energy.

Financial impact

QBE announced in February that once again earnings had been hit by climate-related disasters including bushfires, storms, floods and crop damage.

For QBE’s Australia Pacific business, the net cost of catastrophe claims increased significantly to US\$193 million or 5.4% of net earned premium compared with \$106 million or 2.8% in the prior year, mainly due to the Townsville floods and widespread bushfires.

The losses incurred by QBE on catastrophes, exacerbated by global warming, are a direct hit to the shareholder capital invested in this company, and present fundamental risks to the insurance industry’s ability to operate. According to Tom Herbstein of Cambridge University, “climate change fundamentally challenges the existing insurance business model because it is rendering actuary analysis in many places obsolete.”⁹

QBE CEO Patrick Regan warned in February extreme weather risk was increasing across “swathes of Australia” and customers could be priced out¹⁰. According to Munich Re, global warming is on track to make insurance unaffordable for low and average income earners in some regions, causing serious economic and social disruption¹¹.

Energy Policy has not evolved

At the 2019 QBE AGM, QBE’s CEO insisted the company’s Energy Policy was a “living document”. Chairman Marty Becker said “we’ll continue to assess them [QBE’s climate and energy policies] for tar sands, for natural gas, for oil, etc.” and insisted that the policy could change as soon as “tomorrow”.

Almost one year later nothing has changed.

In that time, other insurers, namely Swiss Re, AXIS Capital and AXA, have adopted restrictions on some oil and gas underwriting/investments, in particular those with extremely high life-cycle carbon emissions, like tar sands. More insurers are developing similar policies.

Without significant and urgent action in both climate change mitigation and adaptation, QBE faces shrinking markets and growing and less predictable natural catastrophe claims. As part of this global effort, our company must get its house in order by having clear targets and plans for its own oil and gas phase out. The proposed resolution will provide the framework to ensure QBE doesn’t increase its climate risk exposure while continuing its work disclosing that risk.

We encourage shareholders to vote in favour.

Appendix 3 Supporting statements for Resolutions 6(a) and 6(b)

It is in the interest of QBE and its shareholders that the company align itself with other major insurance companies and banks to have a clear policy on World Heritage and Ramsar sites. World Heritage and Ramsar sites represent the highest level of protection afforded to landscapes on earth that are considered to have Outstanding Universal Value and include locations such as the Pyramids of Giza and the Galapagos Islands. With increased expectation for major corporate entities to act responsibly, and their Environmental and Social Governance policies frequently under increased attention, QBE should act immediately to address this shortcoming in their ESG policy portfolio.

The natural world and its human-built monuments are under unprecedented pressure from an array of national and global threats. Most of the globe’s natural World Heritage Sites are under threat from activities including resource extraction and major infrastructure projects. World Heritage and Ramsar listing are a critical asset in the United Nations (UN) tool-belt to protect and maintain sites of outstanding universal value in perpetuity.

QBE must develop and implement a clear and robust World Heritage and Ramsar Wetland policy to ensure that they do not play any financial or advocacy role in projects which impact negatively impacted listed properties. Such a policy would stop the company from profiting from or promoting projects that have been flagged by UNESCO or the Conference of the Contracting Parties as having a negative impact on environments within a World Heritage or Ramsar property. As a supporter of the UN Sustainable Development Goals, and having identified Goal 11 as a key priority for the company, which includes the target of “[strengthening] efforts to protect and safeguard the world’s cultural and natural heritage”¹², QBE should develop such a stand-alone World Heritage and Ramsar policy to bolster its position. Many other financial institutions have developed such policies, or are signatories to initiatives stating their support and intention to proactively protect such sites. These companies include HSBC (International), Suncorp and Allianz.

We detail below an example where development of a corporate World Heritage Policy is directly relevant to QBE’s positioning regarding a dam proposal within the Greater Blue Mountains World Heritage Area, which (if built) would flood landscapes of Outstanding Universal Value.

⁸ <https://www.renewableenergyworld.com/2018/11/19/solar-and-wind-now-the-cheapest-power-source-says-bloombergnef/>

⁹ <https://www.bloomberg.com/news/articles/2017-11-13/big-insurers-brace-for-perilous-future-as-climate-risks-escalate>

¹⁰ <https://www.smh.com.au/business/banking-and-finance/qbe-warns-of-climate-risk-as-300m-hit-to-revenue-alongside-unusual-weather-20200217-p541e3.html>

¹¹ <https://www.theguardian.com/environment/2019/mar/21/climate-change-could-make-insurance-too-expensive-for-ordinary-people-report>

¹² QBE Insurance Group Limited (2019) QBE 2019 Sustainability Report, p. 13 [<https://qbe.co/3c40hwf>]

Case study: Proposed raising of the Warragamba Dam wall

The raising of Warragamba Dam wall by 17 metres¹³ would destroy 65 kilometres of wild streams and rivers within the Greater Blue Mountains World Heritage Area (GBMWA), flooding approximately 5,700 hectares of world heritage listed national parks and protected areas for up to five weeks at a time¹⁴. There are at least 48 threatened species occurring within this zone that would be severely impacted by the proposal include the Camden White Gum, Sydney's last Emu population and Australia's second rarest bird, the Regent honeyeater. The project would undermine the integrity of the site flooding the last remaining wild river of the southern Blue Mountains, the Kowmung River. Raising the dam wall would also destroy in excess of 300 sacred sites of the Gundungurra people.

The project itself has been condemned by the UNESCO World Heritage Committee in 2019, the body tasked with listing and overseeing the conservation of World Heritage properties globally. It stated:

*"the inundation of areas within the property resulting from the raising of the dam wall are likely to have an impact on the Outstanding Universal Value (OUV) of the property, recalls Decision 40 COM 7, in which it considered that the construction of dams with large reservoirs within the boundaries of World Heritage properties is incompatible with their World Heritage status."*¹⁵

The NSW and Federal Government's jointly appointed Greater Blue Mountains World Heritage Area Advisory Committee has also stated that it:

*"considers that the proposal will have significant adverse impacts on biodiversity, siltation and weed dispersal, wilderness and wild river values, Aboriginal cultural heritage values, aesthetic values and management access."*¹⁶

Documents authored by the Federal Department of Agriculture, Water, and the Environment have further stated that the:

*"impact of increased flood water levels within the dam are likely to have extensive and significant impacts on listed threatened species and communities and world and national heritage values of the [GBMWA]."*¹⁷

While flooding in the valley cannot be overcome by a raised dam wall, it is NSW Government policy to increase the floodplain population by 134,000 in coming decades¹⁸. Subsequently, the dam wall raising would generate in excess of 40,000 additional high-risk home insurance policies in the Hawkesbury-Nepean floodplain. It is the assessment of emergency experts that, because flood waters rise so fast in extreme events, it will be impossible to evacuate the increased number of residents in time to prevent serious loss of life¹⁹. As such, supporting this mitigation project would likely increase the exposure of home insurance companies to further flood risk on the western Sydney floodplain.

Whilst implementation of flood mitigation projects is incredibly important for insurers in Australia, this project, nor any project that could result in negative impacts occurring within the boundaries of a World Heritage or Ramsar property, should be invested in, insured or advocated for by QBE Insurance Group Limited.

13 Sydney Morning Herald (2019) Government's secret plan to raise Warragamba Dam wall by 17m [<https://bit.ly/2Infvi3>]

14 Warragamba Dam Preliminary EIS (2017) Water NSW [<https://bit.ly/2Tlcyhu>]

15 World Heritage Committee (2019) Decisions adopted during the 43rd session of the World Heritage Committee, UNESCO, p.82–83 [<http://bit.ly/2T7mbpK>]

16 Greater Blue Mountains World Heritage Advisory Committee (2018) Submission to the Inquiry into Water NSW Amendment (Warragamba Dam) Bill 2018, p.2 [<http://bit.ly/2v12rvZ>]

17 <http://bit.ly/2PiUMzL>

18 Infrastructure NSW (2017) Resilient Valleys, Resilient Communities: Hawkesbury-Nepean Valley Flood Risk Management Strategy, p.19 [<http://bit.ly/39sxwag>]

19 Dr Chas Keys (2019), Submission to the Inquiry into the Proposed Raising of Warragamba Dam Wall [<https://bit.ly/2tYybBm>]

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: <ol style="list-style-type: none"> 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)
Conditional Rights	conditional rights to acquire fully paid QBE ordinary shares without payment by the holder i.e. nil consideration (other than serving as an employee) on grant and also on vesting
Corporations Act	<i>Corporations Act 2001</i> (Cth)
ESG	environmental, social and governance
Grant Date	24 February 2020
Group	QBE and its controlled entities
Group Cash ROE	the Group's net cash profit divided by average shareholders' funds
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 2019 are listed in the Remuneration Report
LTI	long-term incentive granted under the LTI Plan
LTI Plan	the Company's long-term incentive plan involving the grant of Conditional Rights
Malus	The People & Remuneration Committee has concluded in good faith that: <ol style="list-style-type: none"> 1. there was serious misconduct by the recipient of the grant; or 2. there are circumstances that materially undermine the Company's performance or reputation or performance of the Group, and in each case the conduct or circumstances were not foreseen by the People & Remuneration Committee at the time of making the grant
NEDs	non-executive directors of the Company
Remuneration Report	the report so named included in the Company's 2019 annual report
Resolution	the resolutions put forward for consideration by the shareholders of the Company at the 2020 AGM
STI	short-term incentive
TSR	total shareholder return

TSR peer groups

The Global Insurance Peer Group consists of:

COMPANY NAME

ALLIANZ SE-REG	INSURANCE AUSTRALIA GROUP LIMITED
AMERICAN INTERNATIONAL GROUP	QBE INSURANCE GROUP LIMITED
AVIVA PLC	RSA GROUP
AXA SA	SUNCORP GROUP LIMITED
BEAZLEY	THE HARTFORD
CHUBB CORP	TRAVELLERS COS INC/THE
CNA	ZURICH INSURANCE GROUP AG
HISCOX	

The ASX 50 Peer Group consists of:

COMPANY NAME

AGL ENERGY LIMITED	NATIONAL AUSTRALIA BANK LIMITED
APA GROUP	NEWCREST MINING LIMITED
ARISTOCRAT LEISURE LIMITED	ORICA LIMITED
ASX LIMITED	ORIGIN ENERGY LIMITED
AURIZON HOLDINGS LIMITED	QANTAS AIRWAYS LIMITED
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	QBE INSURANCE GROUP LIMITED
BHP GROUP LIMITED	RAMSAY HEALTH CARE LIMITED
BRAMBLES LIMITED	REA GROUP LTD
CALTEX AUSTRALIA LIMITED	RIO TINTO LIMITED
CIMIC GROUP LIMITED	SANTOS LIMITED
COCHLEAR LIMITED	SCENTRE GROUP
COLES GROUP LIMITED	SONIC HEALTHCARE LIMITED
COMMONWEALTH BANK OF AUSTRALIA	SOUTH32 LIMITED
COMPUTERSHARE LIMITED	STOCKLAND
CSL LIMITED	SUNCORP GROUP LIMITED
DEXUS	SYDNEY AIRPORT
FORTESCUE METALS GROUP LTD	TABCORP HOLDINGS LIMITED
GOODMAN GROUP	TELSTRA CORPORATION LIMITED
GPT GROUP	TRANSURBAN GROUP
INSURANCE AUSTRALIA GROUP LIMITED	TREASURY WINE ESTATES LIMITED
LENLEASE GROUP	VICINITY CENTRES
MACQUARIE GROUP LIMITED	WESFARMERS LIMITED
MAGELLAN FINANCIAL GROUP LIMITED	WESTPAC BANKING CORPORATION
MEDIBANK PRIVATE LIMITED	WOODSIDE PETROLEUM LTD
MIRVAC GROUP	WOOLWORTHS GROUP LIMITED



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