

Notice is hereby given that the 2021 Annual General Meeting (AGM) of shareholders of QBE Insurance Group Limited is due to be held on 5 May 2021 commencing at 10.00am Sydney time at the Wesley Conference Centre, 220 Pitt Street, Sydney NSW 2000.

QBE is closely monitoring developments in relation to the COVID-19 virus in Australia and is following guidance from the Federal and State Governments. While shareholders can attend in person at the Wesley Conference Centre, shareholders are encouraged to participate online. No food or beverages will be provided at the AGM. Only shareholders or their appointed proxies and attorneys will be admitted (i.e. no visitors will be admitted). Should either Federal or State Government guidance provide that a physical meeting is not able to be held, QBE will revert to a virtual AGM format and advise shareholders prior to 5 May 2021 via an announcement to the Australian Securities Exchange and on [www.qbe.com/agm](http://www.qbe.com/agm).

Shareholders are provided with various alternatives to participate in this meeting, including the ability to ask questions online or via teleconference, and the ability to submit a direct vote in advance of the meeting. Details are provided below.

## Participation at the AGM

### Shareholders can participate in QBE's AGM by:



#### Watching and participating live online

Shareholders can watch and participate in the AGM via the Lumi online platform using either a computer or mobile device. Enter the following URL in your browser: <https://web.lumiagm.com/324737981>

Please refer to the user guide on our website at: [www.qbe.com/agm](http://www.qbe.com/agm)

The meeting ID for QBE's AGM is: **324-737-981**.  
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.

Proxyholder login details: Proxyholders will need to contact Computershare on (+61 3) 9415 4024 to obtain their login details to participate online.

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



#### Dial in teleconference

Shareholders can dial into the teleconference and will be able to listen to the meeting live and ask questions on the phone but will not be able to vote over the phone. Voting options are below.

##### Dial in numbers:

Australia TOLL-FREE:  
1800 455 963

New Zealand TOLL-FREE:  
0800 452 795

International:  
+61 7 3145 4005

##### Participant Reference Number:

Quote QBE or 10013149



#### Attending in person

Shareholders can attend the AGM in person which will be held on 5 May 2021 commencing at 10.00am Sydney time at:

**Wesley Theatre,  
Wesley Conference  
Centre, 220 Pitt Street,  
Sydney NSW 2000**



#### Voting options for the AGM

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



#### Questions

Please note, only shareholders may ask questions in person, online and on the telephone once they have been verified. It may not be possible to respond to all questions. Shareholders are encouraged to lodge questions prior to the meeting by completing and returning the enclosed shareholder questions form by 3 May 2021. If you have received this form electronically, you can submit your question online at [www.investorvote.com.au](http://www.investorvote.com.au).



### **More information**

Further information is available at [www.qbe.com/agm](http://www.qbe.com/agm)

# Agenda

## Board Recommendations

Resolutions 2 and 3 are **SUPPORTED** by the Board. The Board recommends shareholders vote **AGAINST** Resolution 4 promoted by Market Forces and Australian Ethical 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 auditor of the Company for the year ended 31 December 2020.

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 2020 be adopted.

3. **To re-elect and elect directors**

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

- (a) That Mr S Fitzgerald, 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 Sir Brian Pomeroy, who retires by rotation in accordance with rule 50 of the Company's constitution, be re-elected as a director of the Company.
- (c) That Ms J Skinner, who retires by rotation in accordance with rule 50 of the Company's constitution, be re-elected as a director of the Company.
- (d) That Ms T Le, who was appointed in accordance with rule 48(c) of the Company's constitution, be elected as a director of the Company.
- (e) That Mr E Smith, who was appointed in accordance with rule 48(c) of the Company's constitution, be elected as a director of the Company.

4. **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 the company disclose, in subsequent annual reporting, 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.

**Note:** Item 4(b) contains an "advisory resolution" and may be properly considered at the meeting only if the resolution in item 4(a) is passed by special resolution. If the resolution in item 4(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 4(a) and, if necessary, 4(b) for the reasons set out in the Explanatory Notes on pages 5 and 6. The Chairman of the meeting intends to vote undirected proxies against the resolutions set out in items 4(a) and 4(b).

By order of the Board



**Carolyn Scobie**  
**Group General Counsel & Company Secretary**

Sydney, 1 April 2021

# 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 and 3 and **AGAINST** Resolutions 4(a), and if necessary, 4(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 54 to 76 of the 2020 Annual Report, which is available on the Company's website at [www.qbe.com](http://www.qbe.com).

## RESOLUTION 3 Election of directors

### (a) Mr Stephen Fitzgerald – AO, BEc Independent non-executive director



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

Mr Fitzgerald became a non-executive director of QBE in 2014. He is Chair of the Investment Committee, Deputy Chair of the People & Remuneration Committee, and a member of the Risk & Capital and Governance & Nomination Committees. Stephen joined Goldman Sachs in 1992 and held a number of leadership roles in London, Tokyo, Hong Kong and Australia. He was Chair of Goldman Sachs, Australia and New Zealand when he retired in 2012. Stephen is currently the Managing Partner of Affirmative Investment Management and sits on the board of Great Barrier Reef Foundation and Champions of Change Coalition, and is a member of the Investment Committee of the British Museum. He is also on the board of Lombard Odier Investment Management. Stephen was previously a member of the Board of Guardians of the Future Fund (Australia's Sovereign Wealth Fund).

### (b) Sir Brian Pomeroy – MA, FCA Independent non-executive director



The Board, without Sir Brian Pomeroy voting, recommends that shareholders vote **IN FAVOUR** of this Resolution.

Sir Brian Pomeroy became a non-executive director of QBE in 2014. He is Deputy Chair of the Audit Committee and a member of the Investment, Risk & Capital and Governance & Nomination Committees. Sir Brian has extensive insurance industry experience, including in his previous role as a Nominated Member of the Council of Lloyd's and as Chair of the Independent Commission on Equitable Life Payments. He was formerly a non-executive member of the Board of the Financial Conduct Authority in the United Kingdom and a non-executive director on QBE's European regulated boards. Sir Brian also chaired the United Kingdom Treasury's Financial Inclusion Taskforce, the Payments Council and the Gambling Commission. He was the Senior Partner of Deloitte Consulting in the United Kingdom until 1999.

### (c) Ms Jann Skinner – BCom, FCA, FAICD Independent non-executive director



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

Ms Skinner became a non-executive director of QBE in 2014. She is Chair of the Audit Committee, Deputy Chair of the Risk & Capital Committee and a member of the People & Remuneration and Governance & Nomination Committees. Jann has over 30 years' professional experience in audit and accounting with a focus on financial services, particularly the insurance industry. She was an audit partner for 17 years with PricewaterhouseCoopers before retiring in 2004. Jann is a non-executive director of Telix Pharmaceuticals Limited, HSBC Bank Australia Limited and Create Foundation Limited. Previously, Jann was a non-executive director of Enstar Australia Group and the Tasmanian Public Finance Corporation. Jann was also a non-executive director on QBE's Australian regulated boards.

**(d) Ms Tan Le – BCom (Hons), LLB (Hons)**  
Independent non-executive director



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

Ms Le became a non-executive director of QBE in September 2020. She is a member of the Audit, Operations & Technology and Governance & Nomination Committees. Tan is an award-winning inventor & technology entrepreneur. She is the founder and CEO of EMOTIV, a leading global neuroinformatics company advancing understanding of the human brain. She was previously co founder and President of SASme, a wireless technology company. Tan has been a contributor at the World Economic Forum (WEF) and previously served on the WEF Global Future Council and on the WEF Board of Stewards on Shaping the Future of Information & Entertainment.

QBE has satisfactorily undertaken checks into Ms Le's background and experience.

**(e) Mr Eric Smith – MBA, BSc**  
Independent non-executive director



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

Mr Smith became a non-executive director of QBE in September 2020. He is a member of the Risk & Capital, Operations & Technology and Governance & Nominations Committees. Eric has more than 40 years' experience in insurance and financial services, and was most recently President and Chief Executive Officer of Swiss Re Americas from 2011 to 2020. Eric has held a number of executive roles in his career including President of USAA Life Insurance Co and President of Allstate Financial Services, Allstate's business unit that distributes life insurance, annuities and other financial products. He has also held various roles in property and casualty insurance with Country Financial over a 20-year period.

QBE has satisfactorily undertaken checks into Mr Smith's background and experience.

**RESOLUTION 4**  
**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 4(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 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 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 Chair, 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 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 change—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.

## Explanatory notes continued

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 4(a) has proposed the resolution in item 4(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 4(a) is passed by special resolution. If item 4(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. We support the Paris Agreement and its objective to limit global temperature rises to well below 2°C to mitigate against the impacts of climate change. We recognise that a failure to rapidly decarbonise the global economy will lead to increasingly volatile and severe weather-related events with significant economic consequences. Our role is to financially protect people and their assets, support recovery efforts when catastrophes occur and reduce the economic and social impacts of climate change on our customers and communities. We accept scientific evidence and assessments made by the Intergovernmental Panel on Climate Change.

Throughout 2020, we continued to expand our analysis of physical, transition and liability risks, including the identification of opportunities and material exposures. As a result, we are developing appropriate responses and the output of this work is detailed in our 2020 Annual Report including our progress and performance against our Climate Change Action Plan.

Going forward, our focus for tackling climate change will be on the following areas:

- building resilience for our customers and communities;
- strategically investing towards a net-zero economy;
- strategic integration of climate change risks and opportunities across QBE;
- aligning our business operations and the actions of our people to reduce our environmental footprint and support climate action; and
- continued transparency regarding our governance and performance.

In 2020, we performed scenario analysis to understand the impact of the transition to a low carbon economy on our business. We worked with Planetrics, a Vivid Economics company, to understand sectoral trends to 2030 and 2050, which we can use to inform our strategic positioning over the coming years.

In 2020, we committed to achieving net zero emissions by 2050 in our investment portfolio and became the first Australian-headquartered insurance business to join the UN-convened Net-Zero Asset Owner Alliance. Joining the Alliance means QBE will consider the best available scientific knowledge and collaborate with other global institutional investors on developing standard industry frameworks.

Over the coming years, we will explore strategies and approaches to align our investment portfolio with the objective of the Paris Agreement to be net zero emissions by 2050, including setting and communicating our interim targets.

We continue the orderly transition of our business in line with the Paris Agreement and have delivered on our commitment to set metrics and targets to measure and monitor climate related risks and opportunities. Our new Environmental and Social Risk Framework outlines our updated positions on a range of issues, including energy, across underwriting and investment. This framework also includes the setting of targets that relate to coal, oil and gas. As of 1 January 2022, for existing companies with 30% or more revenue from oil sands and Arctic drilling, QBE will only provide insurance where the company is on a pathway consistent with achieving the Paris Agreement.

As of 1 January 2030, for companies with 60% or more revenue from oil and gas extraction, QBE will assess whether the company is on a pathway consistent with achieving the Paris Agreement, and decline to provide insurance where this is not the case. This threshold will be reduced to 30% from 1 January 2040.

QBE has no direct investments in oil sands and Arctic drilling projects. QBE has a small existing exposure to oil and gas companies in its direct investments and will seek to reduce this exposure and the associated emissions in line with its commitment to net-zero emissions from its investment portfolio by 2050.

QBE has a diverse and international portfolio of customers in the energy sector and we are committed to working with these customers in their transition to a low carbon economy, in support of commitments to the Paris Agreement. Overall, in 2020, we have increased gross written premium from renewable energy by approximately 50%.

In support of the transition to a low carbon economy, we joined the RE100 in 2019. In 2020, we made strong progress towards 100% renewable electricity for our operations, with 97% of our global electricity use coming from renewable sources. We also maintained carbon neutrality and achieved our energy use, air travel and science based emission reduction targets ahead of time.

We will continue to enhance our approach to managing and disclosing our approach to climate risks and opportunities in line with the Task Force on Climate-related Financial Disclosures recommendations over time.

Our climate-related progress has been externally recognised, with our CDP (formerly known as Carbon Disclosure Project) score moving from a 'B' to 'A-' in 2020, putting us in the Leadership band.

### Recommendation

The Board believes it is essential that we continue to work through our analysis and strategic decisions in a methodical and coordinated way.

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 recent years, and a strong analytical foundation for future strategic decision making, the Board 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 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 as at the time Resolution 2 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 Resolution 2:

- 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; 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 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 **3 May 2021**. 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 voting form accompanying this Notice (as applicable). If you have received this form electronically, you can submit your voting form online at [www.investorvote.com.au](http://www.investorvote.com.au). 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](http://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](http://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 **3 May 2021**.

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](http://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 shareholders votes in favour of resolutions 2–3 and against 4(a) and if necessary, 4(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](http://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 **3 May 2021**.

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 and 3, and against Resolution 4(a) and if necessary, Resolution 4(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 Lumi online platform using either a computer or mobile device. Enter the following URL in your browser:

<https://web.lumiagm.com/324737981>

The meeting ID for QBE's AGM is: 324-737-981

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.

Proxyholder login details: Proxyholders will need to contact Computershare on (+61 3) 9415 4024 to obtain their login details to participate online.

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

### 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.

Please refer to the user guide on our website at:  
[www.qbe.com/agm](http://www.qbe.com/agm)

# Appendices

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

## Appendix 1 Resolution 4(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 4(b) - To publish Exposure Reduction Targets

In 2020 QBE made a US\$1.5 billion loss, in large part due to extreme weather, which global warming continues to make more frequent and more intense. In January, QBE increased its catastrophe allowance for 2021 by 24% to US\$685 million, up from US\$550 million in 2020,<sup>1</sup> after its catastrophe claims suffered a 62% YoY increase (to US\$688 million).

Under the shadow of this loss, QBE released its first targets related to oil and gas exposure as part of its Environmental and Social Risk Framework<sup>2</sup>. Unfortunately, these targets are inadequate as:

1. They involve QBE continuing to insure companies pursuing unfettered expansion of oil and gas production (apart from oil sands and Arctic drilling) until at least 2030; and
2. even after 2030, QBE's actions remain frustratingly undefined as the Framework states QBE will "assess" if oil and gas companies are consistent with the Paris Agreement goals, without explaining what QBE views as (in)consistent with the Paris Agreement.

This sits in stark contrast with the more responsible, clear and accountable approaches taken by QBE's main competitors Suncorp and IAG discussed below.

Despite QBE's claims, these targets are nowhere near aligned with the Paris Agreement and the shareholders lodging this resolution believe QBE must go back to the drawing board with regards to its oil and gas exposure targets.

The oil and gas sectors are major contributors to global warming. Combined, they produce more greenhouse gas emissions than coal.<sup>3</sup> 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 of further such impacts;
- a primary driver of global warming is the oil and gas industry, which QBE is exposed to through investments and underwriting;
- the oil and gas targets in QBE's new risk framework propose no action on QBE's exposure (apart from ending new oil sands and Arctic underwriting) until 2030, meaning QBE will continue to support the expansion of this sector for at least nine more years; 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.

1 <https://www.smh.com.au/business/banking-and-finance/qbe-hikes-catastrophe-allowance-by-24-percent-after-extreme-weather-20210111-p56t70.html>

2 <https://www.qbe.com/-/media/group/sustainability/environmental%20and%20social%20risk%20framework%20-%20external%20-%20final.pdf>

3 <https://ourworldindata.org/emissions-by-fuel>

## Appendices continued

### **QBE's oil and gas position is at odds with the Paris Agreement**

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

Leading research organisations and the UN have found that between 2020 and 2030, global oil and gas production must decline annually by 4% and 3%, respectively, to be consistent with the Paris Agreement's 1.5°C warming goal.<sup>4</sup>

In August 2020, 25 leading scientists at Australian universities and institutions wrote that "to meet the upper Paris goal, we must achieve net zero emissions by 2040-2050. This requires a rapid phase-out of existing fossil fuel infrastructure, leaving no room for expansion of the gas industry".<sup>5</sup>

### **QBE being left behind by its competitors**

QBE's current inadequate oil and gas exposure targets put it at odds with its two main competitors Suncorp and IAG.

Suncorp has an underwriting exposure phase-out date of 2025 for oil and gas exploration and production, and thermal coal mining and power generation. It has also set clear targets for the gradual divestment of oil and gas company stocks by 2040 based on carbon intensity.<sup>6</sup>

IAG has set a date of 2023 for the phase out of fossil fuel extraction and coal-fired power underwriting exposure.<sup>7</sup>

These approaches, while containing gaps and loopholes, at least acknowledge that the exploration and production of fossil fuels cannot expand if we're to meet the Paris climate goals.

QBE however, makes no such acknowledgement. QBE's targets allow it to continue supporting most oil and gas projects, including new projects, without restriction until 2030.

Only in nine years' time does QBE intend to assess whether companies with ≥60% revenue from oil and gas extraction are "on a pathway consistent with achieving the Paris Agreement, and decline to provide insurance where this is not the case".

What QBE considers a "pathway consistent with achieving the Paris Agreement" is not defined. Market Forces asked QBE back in March 2020 to provide the scenarios it uses to assess Paris-alignment and has not received an answer.

This approach to oil and gas is also at odds with QBE's own approach to thermal coal. In 2019 QBE announced it would immediately stop insuring new thermal coal projects and phase out exposure by 2030. It makes little sense to treat one fossil fuel one way, and the others differently. Suncorp and IAG have not made this mistake.

### **Financial impact**

The losses incurred by QBE as a result of 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."<sup>8</sup>

Without significant and urgent action in both climate change mitigation and adaptation, QBE faces shrinking markets and growing, less predictable natural catastrophe claims. As part of this global effort, our company must get its house in order by setting clear targets to phase out oil and gas exposure in line with the Paris Agreement.

We encourage shareholders to vote in favour.

4 <https://productiongap.org/2020report>

5 <https://www.smh.com.au/environment/climate-change/australia-s-chief-scientist-is-wrong-on-gas-say-leading-experts-20200824-p55oty.html>

6 <https://www.suncorpgroup.com.au/corporate-responsibility/sustainable-growth/responsible-banking-insurance-investing>

7 <https://www.iag.com.au/sites/default/files/Documents/Safer%20Communities/FY20-Climate-related-disclosure.pdf>

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

# Glossary of key terms

|                              |  |
|------------------------------|--|
| <b>AGM</b>                   | annual general meeting   |
| <b>Associate</b>             | has the meaning given in the ASX Listing Rules   |
| <b>ASX</b>                   | ASX Limited, or the market operated by it  |
| <b>ASX Listing Rules</b>     | the official listing rules of ASX (as amended from time to time)   |
| <b>Board</b>                 | board of directors of the Company  |
| <b>Closely Related Party</b> | in relation to a KMP: <ol style="list-style-type: none"> <li>1. a spouse or child of the member;</li> <li>2. a child of the member's spouse;</li> <li>3. a dependant of the member or of the member's spouse;</li> <li>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</li> <li>5. a company controlled by the member</li> </ol> |
| <b>Company or QBE</b>        | QBE Insurance Group Limited (ACN 008 485 014)  |
| <b>Corporations Act</b>      | <i>Corporations Act 2001</i> (Cth)   |
| <b>Group</b>                 | QBE and its controlled entities  |
| <b>KMP</b>                   | key management personnel. The KMP 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 for the QBE consolidated group during the year ended 31 December 2020 are listed in the Remuneration Report   |
| <b>NEDs</b>                  | non-executive directors of the Company   |
| <b>Remuneration Report</b>   | the report so named included in the Company's 2020 annual report   |
| <b>Resolution</b>            | a resolution put forward for consideration by the shareholders of the Company at the 2021 AGM  |



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