

**QBE INSURANCE GROUP LIMITED**  
**People & Remuneration Committee Charter**

<b>Nature of committee:</b>	People & Remuneration Committee
<b>Owner:</b>	Company Secretary
<b>Approval:</b>	Board
<b>Approval date:</b>	11 June 2020
<b>Status:</b>	Final

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## Introduction

The People & Remuneration Committee (“Committee”) is established by the Board of Directors (“Board”) of QBE Insurance Group Limited (“Company”).

### 1. Role

The role of the Committee is to assist the Board in overseeing major people and remuneration practices of the Company and its controlled entities.

The Committee may:

- a) make recommendations to the Board on the employment arrangements of the Group Chief Executive Officer (“**Group CEO**”) and for any executives reporting to the Group CEO;
- b) make recommendations to the Board on the remuneration of any other persons or categories of persons covered by the QBE Group Remuneration Policy;
- c) make recommendations to the Board on the remuneration of the non-executive directors; and
- d) make recommendations to the Board on QBE’s target culture and actions to affect culture change.

In carrying out this role, the Committee will consider the matters outlined in Section 5.

The Committee may decide matters within its scope, except for matters it believes the Board should decide or the prudential standards of the Australian Prudential Regulation Authority (“APRA”) require the Board to decide.

It is not intended the Committee should assume any of management’s responsibilities in these areas.

### 2. Composition

The Committee will be comprised of a minimum of three members as determined by the Board. All members must be non-executive directors. A majority of the members of the Committee must be independent.

No alternates will be permitted unless agreed by the Committee Chairman at a meeting of the Committee.

The Chairman of the Committee will be appointed by the Board and must be an independent non-executive director of the Board.

A Company Secretary of the Board will act as Secretary to the Committee. The composition of the Committee is to be reviewed at least annually as part of the Board performance assessment.

The Chairman of the QBE Risk & Capital Committee will be a member of the Committee.

### 3. Authority

The Committee has the authority as delegated within this Charter to:

- investigate any activity within its Charter;
- obtain all information necessary for the performance of the Committee's role as set out in this Charter;
- access the Group Executive, People & Change, executives and other employees, and any external parties including the external auditor as required for the performance of the Committee's role as set out in this Charter, including to seek additional information and explanation during its meetings;
- appoint specialist independent third-party advisers, legal, accounting or other consultants, to independently advise the Committee; and
- attend relevant external training courses after consent from the Chairman of the Company and in accordance with the *Non-Executive Director Continuing Development Program*.

#### 4. Scope

The Committee is responsible for:

##### **Remuneration arrangements – senior executives**

- a) at least annually, recommending to the Board the entitlements under at-risk incentive schemes for the Group CEO and for any executives reporting to that position;
- b) at least annually, recommending to the Board the total remuneration (fixed and at-risk) of the Group CEO and of executives reporting to that position, such remuneration including base pay, at risk cash and deferred equity incentives (including shares and options), pension/superannuation and other benefits;
- c) at least annually, approving the total remuneration of any other persons, or categories of persons not covered by 5 (e) and 5 (f):
  - i. who have been specified in writing by APRA;
  - ii. whose activities may in the Committee's opinion affect the financial soundness of the organisation; or
  - iii. as required by the QBE Group Remuneration Policy.
- d) recommending to the Board any termination payments to be made to the Group CEO and approving any to be made to executives reporting to that position;
- e) evaluating and making recommendations to the Board on the performance of the Group CEO and for any executives reporting to that position, in light of agreed financial targets and performance goals, informed by risk assessment outcomes;
- f) recommending to the Board any specific employment arrangements of the Group CEO and approving any specific employment contracts of executives reporting to that position, in each case in addition to remuneration;

##### **Remuneration arrangements – non-executive directors**

- g) recommending to the Board remuneration arrangements for non-executive directors;

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## **Incentive plans**

- h) reviewing the design of new and amended at-risk incentive schemes - cash and deferred equity awards (including hurdles and targets);

### **Benefits**

- i) reviewing and monitoring the management of defined benefit pension schemes including the appropriateness of investment strategies after consideration by the Investment Committee, funding status and strategies to wind up or de-risk schemes;
- j) as principal employer, approving all rule amendments relating to benefits for Group sponsored pension schemes and superannuation plans except those required by statute;

### **Culture and talent management**

- k) monitoring the effectiveness of the talent strategy and culture programs to achieve the strategies of QBE;
- l) monitoring the effectiveness of QBE's diversity and inclusion strategy, policy and practices with a focus on QBE's commitment to being a diverse and inclusive workplace;
- m) reviewing and recommending to the Board for approval, measurable objectives for achieving gender diversity in the composition of its senior executives and workforce generally;
- n) monitoring the effectiveness of, and recommending to the Board for approval, QBE's executive succession plan and associated development plans for senior executives to enable QBE to achieve its strategic goals over the long-term;

### **Governance and disclosure**

- o) receiving from the Board the Charter for the Committee and assess its performance against that Charter and otherwise;
- p) regularly reviewing and where appropriate, making recommendations to the Board on the QBE Group Remuneration Policy, including an assessment of the Remuneration Policy's effectiveness, compliance with the requirements of APRA Prudential Standard CPS 510 and alignment with QBE's target culture, values, strategic objectives and risk appetite;
- q) reviewing the reward structure (including incentive schemes) of certain employees of APRA-regulated entities (such as risk and financial control employees) in accordance with the APRA prudential standards covering the governance of remuneration;
- r) considering the draft annual remuneration report;

### **Other**

- s) undertaking any special projects either delegated by the Board or as part of its responsibilities, as deemed necessary by the Committee; and
- t) referring matters to either the Board or another Committee.

The Committee may deal with the above matters as required.

The Committee will arrange for effective coordination with other committees on matters which also relate to their responsibilities.

Management is responsible for preparing and presenting to the Committee regular reports and other information on all matters about which the Committee should be informed. Management will also escalate in a timely manner material new or heightened risks for consideration by the Committee.

## 5. Meetings

The Committee will meet at least four times a year and more frequently as required. Meetings are to be scheduled such that they are generally held prior to the meetings of the Board of the Company. Any Committee member or the Secretary may call a meeting.

A quorum for meetings will be two Committee members, including the Chairman. Decisions will be made by a majority of directors present and voting.

All non-executive directors of the Board have a standing invitation to attend each meeting.

The Group CEO and Group Executive, People & Change, will each have a standing invitation to attend each meeting, subject to exclusion at the discretion of the Committee Chairman as may be necessary from time to time.

The Committee may invite other members of management to assist in its discussions (except those concerning their own remuneration).

The Chairman may call a special meeting on their own motion or will do so if requested by any Committee member, the Group CEO or Group Executive, People & Change.

The Committee may address time-sensitive matters outside of the usual meeting cycle. Where the matter is of an urgent nature, the Committee provides delegation for decision making to the Chairman of the Committee or in their absence the Deputy Chairman of the Committee. Depending on the materiality, it may also be referred to Chairman or Deputy Chairman of the Board.

The Committee may meet without management.

A notice of each meeting confirming the date, time, venue and agenda will be forwarded to each member of the Committee prior to the date of the next meeting. The notice for members will include relevant supporting documentation for agenda items to be discussed.

## 6. Reporting

The Secretary will prepare and circulate minutes of meetings of the Committee to all Committee members within a reasonable time after each meeting.

The Chairman will report to the Board as appropriate on matters reviewed and/or recommended and/or approved by the Committee and any other areas within the Committee's scope. All directors of the Board of the Company will receive a copy of the minutes of the Committee meetings and may request a copy of its papers.

## 7. Access

The members of the Committee must be available upon reasonable notice to meet with relevant regulators if requested to do so.

The Committee has free and unfettered access to:

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- i. QBE's senior executives; and
  - ii. risk and financial control personnel and other parties, both internal and external

including to seek additional information and explanation during its meetings. The Group Executive, People & Change has free and unfettered access to the Committee Chairman.

## **8. Review**

The Committee will review this Charter every two years and recommend any proposed amendments to the Board for approval.