

QBE Insurance Group Limited

ANNUAL PERFORMANCE INCENTIVE PLAN

Adopted by the QBE Insurance Group Limited Board on 18 February 2022
and varied on 9 December 2022 and 8 December 2023

This Plan (as defined overleaf) is a discretionary benefit offered by QBE Insurance Group Limited for the benefit of its employees. Its main purpose is to recognise and reward those employees who meet (or exceed) their own individual performance goals and contribute to the achievement of QBE Insurance Group Limited's annual business goals and performance (against both annual financial and non-financial measures) through a cash incentive and share ownership. The Plan is an incentive for the employees' performance and commitment to the goals of the QBE Insurance Group.

Shares purchased or received under the Plan, any cash received under the Plan and any gains obtained under the Plan are **not** part of salary for any purpose (except to any extent required by statute).

The People and Remuneration Committee of the Board of QBE Insurance Group Limited shall have the right to decide, in its discretion, whether or not awards will be offered under the Plan and to which employees those awards will be offered.

The detailed rules of the Plan are set out overleaf.

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1. DEFINITIONS AND INTERPRETATION

1.1 In the Plan, unless the context otherwise requires:

“**API Cash**” means an API Cash Award paid to a Participant in accordance with Rule 6.2.

“**API Cash Award**” means the cash element of the API Award determined in accordance with Rule 5.4.

“**API Conditional Rights**” means conditional rights to QBE Shares awarded to a Participant in accordance with Rule 7.2.

“**API Conditional Rights Award**” means the conditional rights element of the API Award determined in accordance with Rule 5.4.

“**API Award**” means an amount awarded to a Participant in accordance with Rule 5.2.

“**API Award Date**” means the date on which an API Conditional Right is awarded. The API Award Date of any API Conditional Right is at the discretion of the Committee but, in respect of any API Conditional Right, is generally a date no later than 3 months (or as soon as practicable thereafter if an award is delayed due to prohibitions under the Company’s Trading Policy or due to the exercise by the Committee of its discretion to defer consideration of a Participant’s entitlement to an API Award under Rule 5.1) immediately following the end of the Performance Period.

“**Board**” means the board of directors of the Company.

“**Business Day**” means a day that is not a Saturday, Sunday, bank holiday, or public holiday in New South Wales, Australia.

“**Cause**” means termination:

- (a) for a reason other than:
 - (i) the position of the Participant becoming Redundant;
 - (ii) the Participant Retiring;
 - (iii) the Participant being Totally and Permanently Disabled;
 - (iv) the death of the Participant; or
 - (v) the Participant accepting an offer of employment made by the purchaser (or its related entity) of the whole or part of the business conducted by the Group Company (through a share sale or other transaction) in which the Participant performs work within 30 days of completion of the purchase; or
- (b) in circumstances where a Participant’s employment terminates and the Participant does not execute, or the Committee determines, whether before or after the termination, that in its sole and absolute opinion it is unlikely that the Participant will execute a deed of release or a similar document which provides for the preservation of rights in accordance with this Plan, in terms acceptable to the Committee, in connection with that termination.

“**Change in Control**” means either a scheme of arrangement has been approved by the Company’s shareholders and become effective or a bidder has at least 50% of the issued and to be issued QBE Shares under an unconditional takeover offer made in accordance with the *Corporations Act 2001*.

"**Committee**" means the People and Remuneration Committee of the Board.

"**Company**" means QBE Insurance Group Limited (registered in Australia with registered number ACN 008 485 014).

"**Company's Trading Policy**" means the QBE Insurance Group Limited Securities Trading Policy for dealing in securities of QBE Insurance Group Limited or other entities, as varied or replaced from time to time.

"**Control**" in relation to a Group Company, other than the Company, includes:

- (a) the ability to exercise or control the exercise of the right to vote in respect of more than 50% of the voting shares or other form of voting equity in the company;
- (b) the ability to dispose or exercise control over the disposal of more than 50% of the shares or other form of equity in the company;
- (c) the ability to appoint or remove all or a majority of the members of:
 - (i) the board; or
 - (ii) if the company has no board or if the board is not a primary internal governing body of the company, a primary internal governing body of the company;
- (d) the ability to exercise or control the exercise of the casting of a majority of the votes cast at the meetings of:
 - (i) the board; or
 - (ii) if the company has no board or if the board is not a primary internal governing body of the company, a primary internal governing body of the company; and
- (e) control, as defined in section 50AA of the *Corporations Act 2001*.

"**Eligible Employee**" means a person who:

- (a) commenced employment with a Participating Company on or before 30 September in the Performance Period and who is selected to participate in the Plan at the discretion of the Committee; and
- (b) on the API Award Date (in relation to an API Conditional Rights Award) or Payment Date (in relation to an API Cash Award):
 - (i) is employed by a Participating Company or a joint venture company, including a joint venture company of which a Group Company does not have Control, where the joint venture company has been selected by the Committee as a Participating Company for the purposes of these Rules; and
 - (ii) has not given, or been given, notice of termination of their employment with the company that employs them; and
 - (iii) is not subject to any disciplinary procedure or performance improvement procedures or circumstances exist which would warrant the termination of the person's employment for Cause, whether or not the company that employs the person is aware of those circumstances,

or was employed by an entity referred to in (i) above during the Performance Period preceding the API Award Date or Payment Date and who the Committee, at its

discretion, determines is eligible to receive an award for services rendered during the Performance Period.

“Employee” means any Participant, Eligible Employee or any other employee of a Group Company.

“First Tranche” has the meaning given in Rule 7.3 or 7.4, as applicable.

“First Vesting Date” is the first anniversary of the API Award Date, or such other date as determined by the Committee.

“Fourth Tranche” has the meaning given in Rule 7.3.

“Fourth Vesting Date” is the fourth anniversary of the API Award Date, or such other date as determined by the Committee.

“Funding Pool” means the total funds available for distribution to Participants as API Awards in each Performance Period.

“Group” means the Company and all Group Companies.

“Group Company” means any related body corporate (as defined in the *Corporations Act 2001*) of the Company.

“Invitation” has the meaning given in Rule 3.1 and will take the form described in Rule 3.2

“Market Value” means the volume weighted average sale price of a QBE Share over the 5 trading days on the Australian Securities Exchange prior to the API Award Date or the Vesting Date, whichever is applicable.

“Maximum Opportunity” means the amount set out in the Invitation issued to an Eligible Employee and may be expressed as a monetary sum or as a percentage of the Eligible Employee’s Salary for the Performance Period.

“Participant” means an employee who has accepted an Invitation to participate in the Plan.

“Participating Company” means the Company, a Group Company, or a company selected by the Committee to be a Participating Company.

“Payment Date” means a date that is no later than 3 months immediately following the end of the Performance Period (or such other date as may be determined by the Committee due to the exercise by the Committee of its discretion to defer consideration of a Participant’s entitlement to an API Cash Award under Rule 5.1).

“Performance Period” means a period of one financial year of the Company.

“Performance Targets” means the targets determined by the Committee and set out in the Invitation issued to an Eligible Employee. Such targets may include financial and non-financial targets, and targets in respect of individual, divisional, Company or Group performance.

“Personal Information” means information or an opinion (including information or an opinion forming part of a database) that is recorded in any form and whether true or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion.

“Plan” means this QBE Insurance Group Limited Annual Performance Incentive (API) Plan as amended from time to time.

“QBE Share” means a fully paid ordinary share in the Company or an American Depositary Receipt (ADR) representing a fully paid ordinary share in the Company.

“Redundant” means a situation where a Participant’s position ceases to exist or is substantially changed due to a variety of reasons including reorganisation, restructuring, change in business practice or strategy, technological change or downturn in business.

“Regulatory Requirements” means any and all applicable regulatory requirements (including any prudential standards issued by the Australian Prudential Regulation Authority and Regulatory Guides issued by the Australian Securities and Investments Commission), as varied from time to time, in any jurisdiction, that are applicable to the Group (and/or an individual Group Company) at the date of this Plan or may subsequently become applicable after the date of this Plan.

“Retention Period” means:

- (a) in relation to an API Award for Eligible Employees in Roles@QBE levels 0 and 1 (or such other Eligible Employees in other Roles@QBE levels as determined by the Committee and set out in an Invitation), the period from the API Award Date to the First Vesting Date, or the Second Vesting Date, or the Third Vesting Date, or the Fourth Vesting Date, whichever is applicable, and as varied by these Rules or otherwise determined by the Committee and set out in an Invitation (including where necessary to comply with Regulatory Requirements); and
- (b) in relation to an API Award for Eligible Employees in Roles@QBE level 2 (not already included in (a) (or such other Eligible Employees in other Roles@QBE levels as determined by the Committee and set out in an Invitation), the period from the API Award Date to the First Vesting Date, or the Second Vesting Date, whichever is applicable, and as varied by these Rules or otherwise determined by the Committee and set out in an Invitation (including where necessary to comply with Regulatory Requirements).

“Retiring” means where the Participant satisfies the Committee that the Participant is genuinely retiring, having regard to, among other things, whether the Participant is likely to work full time in any capacity, including directorships or consultancy.

“Rule” means a rule of the Plan.

“Salary” has the meaning determined by the Committee from time to time.

“Second Tranche” has the meaning given in Rule 7.3 or 7.4, as applicable.

“Second Vesting Date” is the second anniversary of the API Award Date, or such other date as determined by the Committee.

“Superannuation Guarantee Legislation” includes the *Superannuation Guarantee Charge Act 1992* and the *Superannuation Guarantee (Administration) Act 1992*.

“Target Opportunity” means the amount set out in the Invitation issued to an Eligible Employee and may be expressed as a monetary sum or as a percentage of the Eligible Employee’s Salary for the Performance Period.

“Third Tranche” has the meaning given in Rule 7.3.

“Third Vesting Date” is the third anniversary of the API Award Date, or such other date as determined by the Committee.

“Totally and Permanently Disabled” means the Participant suffers an injury or illness, and in the Committee’s opinion, is unlikely to engage in any occupation for which he or she is reasonably suited by education, training or experience.

“Tranche” means any of the First Tranche, Second Tranche, Third Tranche or Fourth Tranche.

“Unvested API Conditional Right” is an API Conditional Right which has not yet vested in accordance with these Rules.

“Vested API Conditional Right” is an API Conditional Right which has vested in accordance with Rule 11.1.

“Vesting Date” means the date on which an API Conditional Right vests in accordance with these Rules.

1.2 Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.

1.3 The singular includes references to the plural and vice versa. Words denoting a particular gender shall include all genders.

1.4 Expressions in italics and headings are for guidance only and do not form part of the Plan.

2. **COMMENCEMENT**

The Plan applies for the Performance Period specified in an Invitation.

3. **INVITATION TO PARTICIPATE**

3.1 **Issuing Invitations**

From time to time the Committee and/or the Company may, in its or their discretion, issue an Invitation to an Eligible Employee to participate in the Plan.

3.2 **Form of Invitation**

The Invitation may be in such document or other form that is communicated or otherwise made available to an Eligible Employee and contain such material, and be on such terms and conditions, as the Committee determines and as required by applicable law and Regulatory Requirements, but will usually typically include information about some (or all) the following (and may refer to separate materials or documents for any additional information or description):

- (a) the date of the Invitation;
- (b) the name of the Eligible Employee to whom the Invitation is addressed;
- (c) the Maximum Opportunity;
- (d) the Target Opportunity;
- (e) the percentage of any API Award to be provided as an API Cash Award and as API Conditional Rights Award;
- (f) the Performance Targets;
- (g) the Performance Period; and
- (h) a copy of these Rules or details about how a copy of these Rules can be obtained.

3.3 **Acceptance of Invitation**

Unless specified otherwise in the Invitation, an Eligible Employee will be taken to have accepted an Invitation to participate in the Plan in accordance with the terms and conditions of the Invitation and these Rules unless they notify the Company or the Committee in writing within 30 days of receiving an Invitation that they do not wish to accept the Invitation in full. An Eligible Employee cannot accept an Invitation in part. Any Eligible Employee who does not accept an Invitation in full to participate in the Plan will not be considered for an API Award, or receive an API Award or any payment or other benefit in lieu.

3.4 **Inconsistency**

Subject to applicable law and Regulatory Requirements, if there is any inconsistency between these Rules and an Invitation, the terms of the Invitation prevail to the extent of the inconsistency.

4. **FUNDING POOL, MAXIMUM OPPORTUNITY, TARGET OPPORTUNITY, PERFORMANCE TARGETS AND PERFORMANCE PERIOD**

The Funding Pool, the Maximum Opportunity, Target Opportunity, Performance Targets, Retention Period and Performance Period will be determined by the Committee.

5. **API AWARD**

5.1 **Consideration for API Award**

Subject to these Rules, a Participant is entitled to be considered by the Committee for an API Award after the end of a Performance Period.

In circumstances where there is a dispute of any nature between a Participant and a Group Company, a Participant's actions or inactions may be relevant to an internal or external investigation, or the Committee is of the opinion that such a dispute or investigation may arise, the Committee may, in its discretion, defer consideration of whether a Participant is entitled to an API Award after the end of a Performance Period if it is of the opinion that it appropriate to do so.

5.2 **Calculation of API Award**

Unless the Committee determines otherwise under these Rules, and subject to Rule 9 and Rule 10, the amount of any API Award for a Participant will be decided by the Committee in its discretion having regard to, among other things and without limitation, the extent (if at all) any Performance Targets have, in the Committee's sole opinion, been satisfied over the Performance Period, and the Participant's Maximum Opportunity and Target Opportunity. The Committee has no obligation to make any API Award, including in circumstances where the Performance Targets have been satisfied.

In assessing the extent to which any Performance Target has been met, the Committee may adjust the Performance Target or outcome for the impact of factors during the Performance Period which, in the opinion of the Committee, are outside the reasonable control of a Participant (including, without limitation, changes in discount rates from those assumed in setting a Performance Target).

5.3 **API Award Discretion**

The Committee may determine in its discretion to reduce the amount of any API Award at any time before payment of any API Cash under Rule 6.1 or the award of any API Conditional Rights under Rule 7.1 (in all cases, including to zero) for any reason the Committee considers to be in the best interests of the Company or any Group Company (including by having regard to financial and non-financial measures).

5.4 **Form of API Award**

Unless the Committee determines otherwise and subject always to:

- (a) an Invitation; and
- (b) any Regulatory Requirements applicable to or in respect of a Participant,

an API Award will usually be comprised as:

- (c) an API Cash Award and an API Conditional Rights Award, with the percentage of any API Award to be paid as an API Cash Award to be determined by the Committee and specified in the Invitation;
- (d) solely an API Conditional Rights Award; or
- (e) solely an API Cash Award.

6. **PAYMENT OF API CASH**

6.1 **Timing of payment**

Subject to Rule 8, the API Cash Award will be paid to the Participant on the Payment Date.

6.2 **Form of payment**

The API Cash Award will be paid in cash to the account into which the Participant normally receives their Salary from the Participating Company that employs them.

7. **AWARD OF API CONDITIONAL RIGHTS**

7.1 **Timing of award**

Subject to Rule 8, the Participant will receive their API Conditional Rights Award, if any, with effect on the API Award Date.

7.2 **Form of API Conditional Rights Award**

The API Conditional Rights Award will be awarded in the form of conditional rights to QBE Shares. The number of API Conditional Rights awarded by the Committee will be calculated by dividing the monetary amount of the API Conditional Rights Award by the Market Value prior to the API Award Date.

7.3 **Roles@QBE levels 0 and 1 Participants**

Subject to this Plan and any Regulatory Requirements applicable to or in respect of a Participant, and unless otherwise determined by the Committee and set out in the Invitation, API Conditional Rights will be awarded to Participants in Roles@QBE level 0 and 1 for the following Retention Periods:

- (a) 25% of the API Conditional Rights will vest on the First Vesting Date (**First Tranche**);
- (b) 25% of the API Conditional Rights will vest on the Second Vesting Date (**Second Tranche**);
- (c) 25% of the API Conditional Rights will vest on the Third Vesting Date (**Third Tranche**); and
- (d) 25% of the API Conditional Rights will vest on the Fourth Vesting Date (**Fourth Tranche**).

7.4 **Roles@QBE level 2 Participants**

Subject to this Plan and any Regulatory Requirements applicable to or in respect of a Participant, and unless otherwise determined by the Committee and set out in the Invitation, API Conditional Rights will be awarded to Participants in Roles@QBE level 2 for the following Retention Periods:

- (a) 50% of the API Conditional Rights will vest on the First Vesting Date (**First Tranche**); and
- (b) 50% of the API Conditional Rights will vest on the Second Vesting Date (**Second Tranche**).

7.5 **Variation of Retention Period or Payment Date**

Subject to applicable law and Regulatory Requirements, in circumstances where there is a dispute of any nature between a Participant and a Group Company, a Participant's actions or inactions may be relevant to an internal or external investigation, or the Committee is of the opinion that such a dispute or investigation may arise, the Committee may vary the Retention Period (and accordingly the relevant Vesting Date), the terms and conditions of the API Award that apply to any tranche of API Conditional Rights awarded to a Participant at any time before the relevant tranche Vesting Date and/or the Payment Date (in each case, as applicable).

8. **LOSS OF OPPORTUNITY OR AWARD**

8.1 **Loss of API opportunity**

If, on or before the date on which the Committee considers whether a Participant will receive an API Award in accordance with Rule 5.1, or after the date the Committee has made an API Award, but before the Payment Date, or, in respect of the API Conditional Rights Award before the relevant API Award Date:

- (a) the Participant terminates their employment or gives notice of the termination of their employment for a reason other than:
 - (i) the Participant Retiring;
 - (ii) the Participant being Totally and Permanently Disabled;
 - (iii) the death of the Participant;
 - (iv) the Participant accepting an offer of employment made by the purchaser (or its related entity) of the whole or part of the business conducted by the Group Company (through a share sale or other transaction) in which the Participant performs work within 30 days of completion of the purchase; or
 - (v) such other reason as accepted by the Committee in its discretion;
- (b) the Participating Company that employs the Participant terminates the employment of the Participant or gives notice of the termination of their employment, in either case for Cause; or
- (c) the Participant is subject to any disciplinary procedure or performance improvement procedures or circumstances exist which would warrant the termination of the Participant's employment for Cause, whether or not the Participating Company that employs the Participant is aware of those circumstances,

the Participant will not be entitled to:

- (d) be considered for an API Award;

- (e) be paid the API Cash Award;
- (f) be awarded their API Conditional Rights Award; or
- (g) receive any payment or other benefit in lieu of any of the above.

8.2 Loss of API Award in circumstances of redundancy

Without limiting the Committee's discretion to reduce the amount of the Participant's API Award, in circumstances where the Participant's employment with the Participating Company that employs them ceases on or after the date the Committee has made an API Award, but before the Payment Date or, in respect of the API Conditional Rights Award, before the API Award Date, as a result of the position of the Participant becoming Redundant, the Committee may decide to reduce the amount of the Participant's API Award by any amount (including to zero).

8.3 Loss of API Award in circumstances of sale of business

Without limiting the Committee's discretion to reduce the amount of the Participant's API Award, in circumstances where the Participant's employment with the Participating Company that employs them ceases on or after the date the Committee has made an API Award, but before the Payment Date or, in respect of the API Conditional Rights Award, before the API Award Date, as a result of the Participant accepting an offer of employment made by the purchaser (or its related entity) of the whole or part of the business conducted by the Group Company (through a share sale or other transaction) in which the Participant performs work within 30 days of completion of the purchase, the Committee may decide to reduce the amount of the Participant's API Award by any amount (including to zero).

9. REDUCTION OF OPPORTUNITY

9.1 Reduction of Maximum Opportunity and Target Opportunity

Subject to the Participant having a minimum of 6 months' continuous employment within the Performance Period with the Participating Company that employs them and Rule 9.2, if on or before the date on which the Committee considers whether a Participant will receive an API Award in accordance with Rule 5.1, the Participant's employment with the Participating Company that employs them ceases as a result of:

- (a) that company terminating the employment of the Participant for a reason other than for Cause; or
- (b) the Participant terminating their employment for one of the following reasons:
 - (i) the Participant Retiring;
 - (ii) the Participant being Totally and Permanently Disabled;
 - (iii) the death of the Participant; or
 - (iv) the Participant accepting an offer of employment made by the purchaser (or its related entity) of the whole or part of the business conducted by the Group Company (through a share sale or other transaction) in which the Participant performs work within 30 days of completion of the purchase; or
- (c) such other reason as accepted by the Committee in its discretion,

the amount of the Participant's Maximum Opportunity and Target Opportunity will be reduced to no more than a pro rata amount to reflect the proportion of the year (in complete days) in which the Participant was employed and worked. For the avoidance of doubt any award under

this Rule 9.1 will otherwise be considered and, if relevant, made in accordance with and subject to these Rules.

9.2 Reduction of Maximum Opportunity and Target Opportunity in circumstances of redundancy

Without limiting the general nature of Rule 9.1, in circumstances where the Participant's employment with the Participating Company that employs them ceases on or before the date on which the Committee considers whether a Participant will receive an API Award in accordance with Rule 5.1 as a result of the position of the Participant becoming Redundant, the Committee may decide to reduce the amount of the Participant's Maximum Opportunity and Target Opportunity by any amount or to zero.

9.3 Reduction of Maximum Opportunity and Target Opportunity in circumstances of sale of business

Without limiting the general nature of Rule 9.1, in circumstances where the Participant's employment with the Participating Company that employs them ceases on or before the date on which the Committee considers whether a Participant will receive an API Award in accordance with Rule 5.1 as a result of the Participant accepting an offer of employment made by the purchaser (or its related entity) of the whole or part of the business conducted by the Group Company (through a share sale or other transaction) in which the Participant performs work within 30 days of completion of the purchase, the Committee may decide to reduce the amount of the Participant's Maximum Opportunity and Target Opportunity by any amount or to zero.

10. ADJUSTMENT OF OPPORTUNITY

(a) If a Participant:

- (i) commences their employment during the Performance Period;
- (ii) changes ordinary hours of work during the Performance Period;
- (iii) changes Roles@QBE level during the Performance Period;
- (iv) receives a Salary increase or decrease during the Performance Period; or
- (v) takes leave during the Performance Period in respect of which the Participant receives no or a reduced payment from the Participating Company which employs them,

any API Award will, unless the Committee determines otherwise, be based on the total Salary paid to the Participant in the Performance Period and not the annual Salary paid to the Participant at the time at which the amount of the API Award is decided, paid or awarded.

(b) If the Committee exercises its discretion under Rule 8.1(a)(v) or 9.1(c), the terms of any API Award in respect of that Participant may be amended as the Committee determines.

11. VESTING OF API CONDITIONAL RIGHTS

11.1 Date of Vesting of API Conditional Rights

Subject to these Rules, any Regulatory Requirements applicable to or in respect of a Participant, the specific terms of a Participant's Invitation, and the paragraphs below:

- (a) the First Tranche of any API Conditional Rights will vest on the First Vesting Date;
- (b) the Second Tranche of any API Conditional Rights will vest on the Second Vesting Date;
- (c) the Third Tranche of any API Conditional Rights (if applicable) will vest on the Third Vesting Date; and
- (d) the Fourth Tranche of any API Conditional Rights (if applicable) will vest on the Fourth Vesting Date,

and convert into QBE Shares which will be issued or transferred to the Participant at no cost within 20 Business Days of the Vesting Date, although in circumstances of the death of a Participant during the Retention Period the Committee may exercise its discretion and determine that the Participant's Unvested API Conditional Rights will vest immediately. In determining whether to exercise its discretion in the case of the death of a Participant, the Committee may take into account any factors it considers relevant, including, but not limited to, whether the immediate vesting of any Unvested API Conditional Rights would be prohibited by applicable law or any Regulatory Requirements. Further, the Committee may at its discretion pay cash in lieu of QBE Shares. Any such payment will be calculated by multiplying the number of Vested API Conditional Rights by the Market Value prior to the Vesting Date.

Despite the paragraph above, no Tranche will vest on the relevant Vesting Date if:

- (a) the Participant is subject to any disciplinary process; or
- (b) the Committee considers that there may be circumstances which would fall within the scope of Rule 15,

unless the Committee, at its discretion, determines otherwise. Subject to these Rules and any Regulatory Requirements applicable to or in respect of a Participant, any Tranche which does not vest under this Rule will then only vest if the Committee determines, at its discretion, that the Tranche should vest.

In circumstances where there is a dispute of any nature between a Participant and a Group Company, a Participant's actions or inactions may be relevant to an internal or external investigation, or the Committee is of the opinion that such a dispute or investigation may arise, the Committee may, in its discretion, defer the conversion of any Vested API Conditional Rights into QBE shares if considers it appropriate to do so.

11.2 API Conditional Rights Dividends

Notional dividends on an API Conditional Right will accrue during the Retention Period and be notionally reinvested at the time of payment of the dividend. The accrued value of notional dividends will be provided to the Participant on the date of vesting of an API Conditional Right in accordance with Rule 11.1 in the form of additional QBE Shares (or cash in lieu if the Committee decides, in its discretion, to pay cash in lieu). Notional dividends in respect of an API Conditional Right will cease to accrue after the relevant Vesting Date.

11.3 **QBE Shares to rank equally**

All QBE Shares either issued or transferred in accordance with Rule 11.1 will rank equally in all respects with the QBE Shares for the time being in issue except for any rights attaching to QBE Shares by reference to a record date prior to the date of their allotment or transfer.

11.4 **Shares to be quoted on ASX**

The Company will apply to the Australian Securities Exchange or another stock exchange as required by its listing rules for QBE Shares issued in accordance with Rule 11.1 to be quoted.

12. **CONDITIONAL RIGHTS - GENERAL RULES**

12.1 **No interest**

An API Conditional Right does not, of itself, provide a Participant with any interest in any QBE Shares. Consequently, any dividends, voting rights, capital distributions or other entitlements (e.g. rights issues or share purchase plan) that are attributable to QBE Shares cannot be exercised by the Participant.

12.2 **Extinguishment of API Conditional Rights**

Subject to applicable law and Regulatory Requirements, at the Committee's discretion, API Conditional Rights may be extinguished at any time by the Company issuing to the Participant QBE Shares equal to the number of API Conditional Rights awarded to the Participant, or such other number of QBE Shares as determined by the Committee in its discretion (including as to any additional QBE Shares in lieu of cash dividends). If the Committee decides to extinguish API Conditional Rights then, for the purpose of determining any additional shares in lieu of cash dividends under Rule 11.2, the accrued notional dividends will be calculated on the date the Committee decides to extinguish the API Conditional Rights in accordance with this Rule by reference to the API Conditional Rights converted to QBE Shares.

12.3 **Non-transferability and bankruptcy**

An API Conditional Right awarded to any Participant:

- (a) cannot be transferred, assigned, encumbered, charged or otherwise disposed of by the Participant (except on the Participant's death to their personal representatives), and the economic exposure of a Participant to the resultant equity price of an API Conditional Right cannot be hedged by or on behalf of a Participant, and any attempt to do so will result in the lapse of the API Conditional Right; and
- (b) will lapse immediately if the Participant is declared bankrupt.

12.4 **Capitalisation**

The Committee may, in its discretion, adjust the number of API Conditional Rights awarded to a Participant or any other terms and conditions of an API Conditional Right to reflect capital reconstructions, bonus share issues or any other transaction which the Committee determines warrants an adjustment to the terms of an API Conditional Rights Award. Nothing in the terms and conditions of an API Conditional Rights Award restricts the rights of the Board to issue further QBE Shares or entitles a Participant to an increase in shares issued pursuant to a Vested API Conditional Right due to the issue of further QBE Shares by the Board.

12.5 **Listing Rules**

API Conditional Rights are subject to the listing rules of the Australian Securities Exchange. If there is any inconsistency with the listing rules or the listing rules require any terms to apply in

relation to an API Conditional Right, then the terms of the API Conditional Right will be deemed to be amended to the extent required to eliminate the inconsistency or to include the required term (as applicable).

13. LOSS OF UNVESTED API CONDITIONAL RIGHTS

Except as otherwise provided for in the relevant Invitation, if, after the Performance Period but during the Retention Period:

- (a) the Participant terminates their employment or gives notice of the termination of their employment for a reason other than:
 - (i) the Participant Retiring;
 - (ii) the Participant being Totally and Permanently Disabled;
 - (iii) the death of the Participant;
 - (iv) the Participant accepting an offer of employment made by the purchaser (or its related entity) of the whole or part of the business conducted by the Group Company (through a share sale or other transaction) in which the Participant performs work within 30 days of completion of the purchase; or
 - (v) such other reason as accepted by the Committee in its discretion;
- (b) the Participating Company that employs the Participant terminates the employment of the Participant or gives notice of the termination of their employment, in either case for Cause; or
- (c) the Participant is subject to any disciplinary procedure or performance improvement procedures or circumstances exist which would warrant the termination of the Participant's employment for Cause, whether or not the Participating Company that employs the Participant is aware of those circumstances,

any Unvested API Conditional Rights or which have been awarded to the Participant will lapse immediately and the Participant will not be entitled to any payment or other benefit in lieu. If the Committee exercises its discretion under Rule 13(a)(v), the Committee may determine that a portion of any Unvested API Conditional Rights which have been granted to the Participant will vest on applicable Vesting Dates and that the remainder of such Unvested LTI Conditional Rights will lapse immediately.

14. TRANSFER OF EMPLOYMENT BETWEEN GROUP COMPANIES

For the purposes of this Plan, a transfer of employment between any two Group Companies will not be a termination of employment for the purposes of Rules 8, 9 and 13 and this Plan will continue to apply to that Participant as if the Participant's employment with the two Group Companies was continuous. A transfer of employment between any two Group Companies means where the Participant commences employment with the second Group Company within 30 days of the termination of their employment with the first Group Company.

15. VARIATION OF UNVESTED API CONDITIONAL RIGHTS (MALUS)

The Committee may adjust any Unvested API Conditional Rights and/or the unpaid portion of any API Cash Awards downward at any time, including to zero if appropriate, if it concludes in good faith that there was:

- (a) misconduct or misconduct leading to significant adverse outcomes; or
- (b) a significant failure of financial or non-financial risk management; or
- (c) a significant failure or breach of accountability, fitness and propriety, or compliance obligations; or
- (d) a significant error or a significant misstatement:
 - (i) of criteria on which the API Award determination was based;
 - (ii) upon which the Committee based its determination of the extent to which the Performance Targets have been met; or
- (e) significant adverse outcomes for customers, beneficiaries or counterparties; or
- (f) circumstances that undermine materially the Group's performance; or
- (g) circumstances that undermine materially the reputation of the Group.

The Committee may also adjust any Unvested API Conditional Rights and/or the unpaid portion of any API Cash Awards downward, to zero if appropriate, if such an adjustment is necessary to:

- (h) protect the financial soundness of the Group;
- (i) respond to significant unexpected or unintended consequences that were not foreseen by the Committee; or
- (j) comply with any Regulatory Requirements.

The Committee will review the circumstances of each Participant separately and may but shall not be obliged to make an adjustment to any Unvested API Conditional Rights and/or the unpaid portion of any API Cash Awards under any of the above provisions at its discretion.

16. REPAYMENT OF API AWARDS (CLAWBACK)

To the extent permissible by applicable law and Regulatory Requirements, and without limitation to Committee's discretion under Rule 15, the Board may, in its sole and absolute discretion, recover the cash equivalent (assessed on a gross basis and in whole or in part) of any API Award that has vested and/or been issued or paid including, without limitation, Vested API Conditional Rights, API Cash Awards, QBE Shares and/or cash paid in lieu of QBE Shares (**Clawback**).

API Awards that have vested and/or been issued or paid, remain subject to Clawback for a period of two years from the date of vesting, issuance or payment (as the case may be).

The Board may apply Clawback if it concludes in good faith that there was:

- (a) misconduct leading to material adverse outcomes;
- (b) a material failure of financial or non-financial risk management;

- (c) a material failure or breach of accountability, fitness and propriety, or compliance obligations;
- (d) a material error or a material misstatement:
 - (i) of criteria on which the API Award determination was based; or
 - (ii) upon which the Committee based its determination of the extent to which the Performance Targets have been met;
- (e) material adverse outcomes for customers, beneficiaries or counterparties; and/or
- (f) a breach by the Participant of any post-employment restraint to which they are subject under their contract of employment with the Participating Company that employs them (or any other contract or agreement with any other Group Company that contains a post-employment restraint with which the Participant is required to comply following the termination of their employment or engagement by a Group Company).

Clawback may be applied to any API Award that has vested and/or been issued or paid (as the case may be) in accordance with, and for the period specified in, this Rule 16 at any time during, or after the termination (for any reason) of the Participant's employment.

By accepting an Invitation in accordance with Rule 3, the Participant also agrees:

- (a) to repay the cash equivalent (assessed on a gross basis) of any API Award that has vested and/or been issued or paid (as the case may be) in respect of which the Board notifies the Participant that it is exercising its Clawback right pursuant to this Rule 16;
- (b) that such amount will become a debt due to the Company; and
- (c) that debt will be payable by the Participant within the timeframe notified to the Participant by the Board.

17. TAKEOVER AND OTHER CORPORATE EVENTS

17.1 Adjustment of Performance Period for Change in Control

If there is a Change in Control during the Performance Period then, subject to Rule 17.3, the Performance Period will end on the date of such event and the amount of an API Award, if any, will be determined for each Participant by reference to the extent to which the relevant Performance Targets have, in the opinion of the Committee (as constituted immediately before the Change in Control) been satisfied as at that date, the length of time elapsed in the Performance Period (in complete days) and the circumstances of the Change in Control. Any API Award calculated in accordance with this Rule 17.1 will comprise an API Conditional Rights Award and/or an API Cash Award in accordance with Rule 5.4 although the Committee may, in its discretion, determine that 100% of the API Award will be an API Cash Award. Any API Award will be paid or awarded, as the case may be, to the Participant as soon as practicable after the API Award has been determined.

17.2 Adjustment of Performance Period

If there is a change in Control of the Participating Company that employs the Participant during the Performance Period, then, subject to Rule 17.3, the Performance Period will end on the date of such event and the amount of an API Award, if any, will be determined for each Participant by reference to the extent to which the relevant Performance Targets have, in the opinion of the Committee (as constituted immediately before the change in Control) been satisfied as at that date, the length of time elapsed in the Performance Period (in complete days) and the circumstances of the change in Control. Any API Award calculated in accordance with this Rule 17.2 will comprise an API Conditional Rights Award and/or API Cash Award

in accordance with Rule 5.4 although the Committee may, in its discretion, determine that 100% of the API Award will be an API Cash Award. Any API Award will be paid or awarded, as the case may be, to the Participant as soon as practicable after the API Award has been determined.

17.3 Maintenance of Performance Period

Despite Rules 17.1 and Rule 17.2, the Committee (as constituted immediately before the Change in Control) may decide that the Performance Period will not be adjusted under Rule 17.1 or Rule 17.2 and that any API Award for a Participant will be determined after the end of the Performance Period in accordance with these Rules.

17.4 Unvested API Conditional Rights for Change in Control

If there is a Change in Control during the Retention Period then, subject to Rule 17.5, the Committee may decide that the Retention Period will end on the date of such event and any Unvested API Conditional Rights will vest, and how the Unvested API Conditional Rights may otherwise be treated (including as to forfeiture without compensation in lieu), having regard to the circumstances of the Change in Control and other factors as it considers appropriate.

17.5 Replacement of Unvested API Conditional Rights

Despite Rule 17.4, the Committee (as constituted immediately before the Change in Control) may decide that the Retention Period will not be adjusted under Rule 17.4 and that any Unvested API Conditional Rights for a Participant will be automatically replaced by equivalent new awards (including as to the value of the Unvested API Conditional Rights) over shares in the acquiring company or other entity determined by the Committee in its discretion (provided that the Committee has first obtained the written agreement of that acquiring company).

18. AMENDMENTS

The Committee may at any time alter all or any part of the rules of the Plan to:

- (a) benefit the administration of the Plan;
- (b) take account of any alteration to applicable laws or Regulatory Requirements; or
- (c) further the best interests of the Group or any Group Company.

19. TERMS OF EMPLOYMENT

19.1 Nothing in this Plan or the operation of the Plan forms part of the contract of employment of an Employee or affects the rights and obligations of an Employee under their terms of employment, which are separate from the Plan.

19.2 Participation in the Plan does not create any right to, or expectation of, continued employment or affect the rights of a Participating Company to terminate the employment of any Employee.

19.3 No Employee has a right to participate in the Plan. Participation in the Plan or receipt of an API Award on a particular basis in any Performance Period does not confer any right on the Employee to participate in a plan or receive any incentive on the same basis, or at all, in respect of any other performance period.

19.4 The benefit of participation in the Plan does not give rise to any contractual right or form part of an Employee's fixed remuneration or employment related entitlements.

19.5 The Employee will have no claim in respect of any decision, omission, or exercise of discretion which may operate to the disadvantage of the Employee.

19.6 Nothing in this Plan or participation in it may be used to increase damages in any action, complaint, claim or proceeding against the Company, any Group Company or their directors, employees or agents in connection with the office or employment, or the termination of the office or employment, of any Employee.

19.7 Receipt of an API Award under this Plan is subject to applicable law and Regulatory Requirements. If an API Award is prohibited in whole or in part by any law or Regulatory Requirement, or otherwise must vest or be paid differently to how it is contemplated in these Rules, then the Employee will have no claim for any payment or other benefit in lieu.

20. GENERAL

20.1 Limitation of liability

Each of the Company, its directors and any trustee appointed by the Company to administer the Plan is not liable for any loss or damage suffered by a Participant because of a contravention of paragraphs (a) – (c) of section 1100Z(1) of the *Corporations Act 2001* where:

- (a) they have:
 - (i) made all inquiries (if any) that were reasonable in the circumstances; and
 - (ii) after doing so, believed on reasonable grounds that the statement was not misleading or deceptive; or
- (b) they did not know that the statement was misleading or deceptive; or
- (c) they placed reasonable reliance on information given to them by:
 - (i) in the case of the Company or any trustee, someone other than a director, employee or agent of the body corporate or responsible entity; or
 - (ii) in the case of any director of the Company, someone other than an employee or agent of the individual; or
- (d) they publicly withdrew their consent to being named in the Plan in the manner specified; or
- (e) the contravention arises because of a new circumstance that has arisen since the Plan or any applicable offer made under it was prepared and they prove that they were not aware of the matter.

20.2 The Committee's authority

The Committee may manage and administer this Plan, including exercising any discretion or power conferred under this Plan, and the Committee has all powers necessary to do so including the power to appoint other persons to act on the Committee's behalf and to exercise any discretion or power conferred under this Plan, including that the Committee may determine that the Plan may be administered in conjunction with an employee incentive plan trust, the trustee of which may acquire QBE Shares for the purposes of transfer to Participants. The transfer or allocation of a QBE Share by the trustee of such a trust to a Participant will satisfy the obligation of the Company to allocate a QBE Share to the Participant (or their nominee) under the Plan.

Without limiting the powers and discretions of the Committee in this Plan, and subject to the ASX Listing Rules (if applicable), the Committee may in its discretion and at any time, on notice and with immediate effect:

- (a) suspend or terminate this Plan, these Rules or any document issued under these Rules;

- (b) amend, delete or add to these Rules or any document issued under these Rules,

if it is of the opinion that it is appropriate to do so and in each case without any payment or other benefit in lieu to any Participant.

20.3 **Decisions or determinations by the Committee**

Any decision or determination by the Committee pursuant to this Plan; in relation to any dispute or disagreement as to the interpretation of this Plan; or as to any question or right arising from or related to the Plan:

- (a) is made in the discretion of the Committee, which may inform itself or take such advice as it sees fit; and
- (b) is final.

The Committee is not a fiduciary of any Employee.

20.4 **Directions from the Board**

Other than in respect of Rule 17.1, the Board may at any time and from time to time:

- (a) give directions to the Committee as to the manner of the exercise by the Committee of any of its discretions or powers under this Plan; and
- (b) amend any of those directions,

and where the Board has given such a direction, the Committee must exercise the relevant discretion or power in accordance with that direction.

20.5 **Taxation and superannuation contributions**

Any payment made under this Plan is subject to the deduction of tax and any social security obligations and is inclusive of any contribution which must be made under the Superannuation Guarantee Legislation or any pension or similar scheme.

20.6 **Set off**

- (a) Where at the time an API Cash Award is payable to a Participant under these Rules and the Participant is also obliged to make a payment to the Participating Company that employs them, the Committee may, subject to applicable law and Regulatory Requirements, decide to set off the amount of those payments so that:
 - (i) payment of the lesser amount is fully satisfied; and
 - (ii) payment of the greater amount is satisfied by the payment of the difference between the lesser amount and the greater amount.
- (b) Where, immediately prior to the time of vesting of any API Conditional Rights under these Rules, the Participant is also obliged to make a payment to the Participating Company that employs them, the Committee may, subject to applicable law and Regulatory Requirements, decide to reduce the number of API Conditional Rights which would otherwise vest in accordance with these Rules, including to zero, to set off the amount of the payment due to the Participating Company. For the purpose of determining the number of API Conditional Rights which will be used to offset the payment due to the Participating Company, the Committee will value each Unvested API Conditional Right by reference to the Market Value as if the date on which the set off takes place is a vesting date for the purposes of these Rules.

- (c) Where the Company is or will be required to withhold any amount in respect of the API Conditional Rights under the *Taxation Administration Act 1953* (Cth), the sum that the Company is or will be required to withhold will constitute a debt owing by the Participant to the Company and the Participant irrevocably directs and authorises:
 - (i) the Company to set off the debt against any moneys owing by the Company to the Participant; and/or
 - (ii) the Participating Company that employs the Participant to pay to the Company an amount equal to the debt from any monies owing by the Participating Company to the Participant.
- (d) If the Company requests the Participant to do so, the Participant must dispose of such number of API Conditional Rights as is necessary to raise the funds required to repay the debt referred to in Rule 20.6(c) and the Participant irrevocably appoints the Company as his or her attorney and agent to do all things necessary, including, but not limited to, executing all documents necessary, to effect the disposal of the API Conditional Rights.

20.7 **No other rights**

The Plan does not confer any right or entitlement, including as to the making of any API Award, on anyone, including an Employee or a third party.

20.8 **Privacy**

By participating in the Plan, a Participant consents to the collection, use, storage, transfer (including internationally) or disclosure of their Personal Information for any purpose in connection with the operation of the Plan. This includes, but is not limited to:

- (a) providing that Personal Information to any Group Company or any third party such as trustees of any employee benefit trust, administrators of the Plan, brokers, professional advisers and any of their respective agents;
- (b) processing of that Personal Information by a Group Company or third party; and
- (c) providing that Personal Information to potential purchasers of the Company, the
- (d) Participant's employer or the business in which the Participant works.

20.9 **Severability**

Part or all of any Rule in this Plan that is illegal or unenforceable will be severed and the remaining provisions continue in force.

20.10 **Waiver**

The failure at any time to insist on performance of any provision of this Plan is not a waiver of the person's right at any later time to insist on performance of that or any other provision in this Plan.

20.11 **Notices**

Any notice or other document which has to be given in connection with this Plan may be delivered to an Employee or sent by post to the Employee at their home address using the records of the Participating Company that employs the Employee, or such work address as that company considers appropriate, or, subject to applicable law, by email (or other electronic means including posting on any website or intranet site) to any address which according to the records of the Participating Company that employs the Employee is used by the Employee.

Any notice or other document which has to be given to the Company in connection with this Plan may be delivered or sent by post to it at its registered office.

Notices sent by post will be deemed to have been given 7 days after the date of posting. Notices sent by email (or other electronic means) will be deemed to have been given on the third day after the day on which the email (or other electronic means) was sent.

20.12 **Documents**

The Committee may require a Participant to complete and return such documents to the Committee as may be required by law or as otherwise necessary for administrative, legal or taxation reasons.

20.13 **Suspension and cancellation**

The Committee may from time to time suspend the operation of the Plan and may at any time cancel the Plan and in each case without any payment or other benefit in lieu to any Participant.

20.14 **Governing law**

The Plan and all awards shall be governed by and construed in accordance with the law of New South Wales and the Courts of New South Wales have non-exclusive jurisdiction to hear any dispute.