

QBE Insurance Group Limited

EXECUTIVE INCENTIVE PLAN

Adopted by the QBE Insurance Group Limited Board on 24 February 2017
and varied on 7 December 2017 and 17 February 2021

The Plan is a discretionary benefit offered by QBE Insurance Group Limited for the benefit of certain executive employees. Its main purpose is to recognise and reward the contribution of those employees to the achievement of QBE Insurance Group Limited's annual business goals and performance 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 Plan is being offered for the first time in 2017 and the Remuneration Committee of the Board of QBE Insurance Group Limited shall have the right to decide, in its discretion, whether or not further awards will be granted in the future and to which employees those awards will be granted.

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:

"**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 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 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 Trading Policy for dealing in securities of QBE Insurance Group Limited or other entities by Directors and Senior Group Executives, 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.

“EIP Cash” means an EIP Cash Grant paid to a Participant in accordance with Rule 6.2.

“EIP Cash Grant” means the cash element of the EIP Grant determined in accordance with Rule 5.4.

“EIP Conditional Rights” means conditional rights to QBE Shares granted to a Participant in accordance with Rule 7.2.

“EIP Conditional Rights Grant” means the conditional rights element of the EIP Grant determined in accordance with Rule 5.4.

“EIP Grant” means an amount granted to a Participant in accordance with Rule 5.2.

“Executive Incentive” means EIP Cash and EIP Conditional Rights.

“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 Grant Date:
 - (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) is not serving a period of notice given by 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 circumstance; or
 - (iv) was employed by an entity referred to in (i) above during the Performance Period preceding the Grant 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 Vesting Date” is the first anniversary of the Grant Date, or such other date as determined by the Committee.

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

"Grant Date" means the date on which an EIP Conditional Right is granted. The Grant Date of any EIP Conditional Right is at the discretion of the Committee but, in respect of any EIP Conditional Right, is generally a date no later than 3 months (or as soon as practicable thereafter if a grant 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 a EIP Grant under Rule 5.1) immediately following the end of the 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.

“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 Grant Date or the Vesting Date, whichever is applicable.

“Maximum EIP 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 a EIP Cash Grant 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 the QBE Insurance Group Limited Executive Incentive 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.

“**Retention Period**” means the period from the Grant 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.

“**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 Vesting Date**” is the second anniversary of the Grant 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 EIP 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 Vesting Date**” is the third anniversary of the Grant 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 EIP Conditional Right**” is an EIP Conditional Right which has not yet vested in accordance with these Rules.

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

“**Vesting Date**” means the date on which an EIP 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 the masculine gender shall include the feminine.

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 may, in its discretion, issue an Invitation to an Eligible Employee to participate in the Plan.

3.2 **Form of Invitation**

The Invitation may contain such material, and be on such terms and conditions, as the Committee determines, but will usually include the following:

- (a) the date of the Invitation;
- (b) the name of the Eligible Employee to whom the Invitation is addressed;
- (c) the Maximum EIP Opportunity;
- (d) the Target EIP Opportunity;
- (e) the percentage of any EIP Grant to be provided as an EIP Cash Grant and as EIP Conditional Rights;
- (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 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 EIP Grant, or receive an EIP or any payment or other benefit in lieu.

3.4 **Inconsistency**

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

4. **MAXIMUM EIP OPPORTUNITY, TARGET EIP OPPORTUNITY, PERFORMANCE TARGETS AND PERFORMANCE PERIOD**

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

5. **EIP GRANT**

5.1 **Consideration for EIP Grant**

Subject to these Rules, a Participant is entitled to be considered by the Committee for an EIP Grant 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 EIP Grant after the end of a Performance Period if it is of the opinion that it appropriate to do so.

5.2 Calculation of EIP Grant

Unless the Committee determines otherwise under these Rules, and subject to Rule 9 and Rule 10, the amount of an EIP Grant 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 opinion, been satisfied over the Performance Period, and the Participant's Maximum EIP Opportunity and Target EIP Opportunity. The Committee has no obligation to make any EIP Grant, 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 EIP Grant Discretion

The Committee may determine in its discretion to reduce the amount of any EIP Grant before payment of any EIP Cash under Rule 6.1 or the grant of any EIP Conditional Rights under Rule 7.1 (in both cases, including to zero) for any reason the Committee considers to be in the best interests of the Company or any Group Company.

5.4 Form of EIP Grant

Unless the Committee determines otherwise, an EIP Grant will comprise an EIP Cash Grant and EIP Conditional Rights Grant. The percentage of any EIP Grant to be paid as an EIP Cash Grant for a Participant will be determined by the Committee and specified in the Invitation.

6. PAYMENT OF EIP CASH

6.1 Timing of payment

Subject to Rule 8, the EIP Cash Grant will be paid to the Participant on the Payment Date.

6.2 Form of payment

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

7. GRANT OF EIP CONDITIONAL RIGHTS

7.1 Timing of grant

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

7.2 Form of grant

The EIP Conditional Rights Grant will be granted in the form of conditional rights to QBE Shares. The number of EIP Conditional Rights granted by the Committee will be calculated by dividing the monetary amount of the EIP Conditional Rights Grant by the Market Value prior to the Grant Date. EIP Conditional Rights will be granted subject to this Plan and unless specified in the Invitation, the following retention periods:

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

Subject to the ASX Listing Rules, 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) and/or the terms and conditions of the EIP Grant that apply to any tranche of EIP Conditional Rights granted to a Participant at any time before the relevant tranche Vesting Date.

8. LOSS OF EIP OPPORTUNITY OR EIP GRANT

8.1 Loss of EIP opportunity or EIP Grant

If, on or before the date on which the Committee considers whether a Participant will receive an EIP Grant in accordance with Rule 5.1, or after the date the Committee has made an EIP Grant, but, in respect of the EIP Cash Grant, before the Payment Date, and, in respect of the EIP Conditional Rights Grant, before the Grant 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; 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;
- (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 be considered for an EIP Grant or to be paid their EIP Cash Grant or granted their EIP Conditional Rights Grant, as the case may be, or entitled to receive any payment or other benefit in lieu.

8.2 Loss of EIP Grant in circumstances of redundancy

Without limiting the Committee's discretion to reduce the amount of the Participant's EIP Grant, 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 EIP Grant, but, in

respect of the EIP Cash Grant, before the Payment Date and, in respect of the EIP Conditional Rights Grant, before the Grant Date, as a result of the position of the Participant becoming Redundant, the Committee may decide to reduce the amount of the Participant's EIP Grant to zero.

8.3 **Loss of EIP Grant in circumstances of sale of business**

Without limiting the Committee's discretion to reduce the amount of the Participant's EIP Grant, 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 EIP Grant, but, in respect of the EIP Cash Grant, before the Payment Date and, in respect of the EIP Conditional Rights Grant, before the Grant 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 EIP Grant to zero.

9. **REDUCTION OF EIP OPPORTUNITY**

9.1 **Reduction of Maximum EIP Opportunity and Target EIP Opportunity**

Subject to Rule 9.2, if on or before the date on which the Committee considers whether a Participant will receive an EIP Grant 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 the completion of the purchase,

the amount of the Participant's Maximum EIP Opportunity and Target EIP 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 grant under this Rule 9 will otherwise be considered and, if relevant, made in accordance with and subject to these Rules.

9.2 **Reduction of Maximum EIP Opportunity and Target EIP 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 EIP Grant 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 EIP Opportunity and Target EIP Opportunity to an amount which is no more than specified in Rule 9.1, including to zero.

9.3 **Reduction of Maximum EIP Opportunity and Target EIP 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 EIP Grant 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 EIP Opportunity and Target EIP Opportunity to an amount which is no more than specified in Rule 9.1, including to zero.

10. **ADJUSTMENT OF EIP OPPORTUNITY**

If a Participant:

- (a) commences their employment during the Performance Period;
- (b) changes ordinary hours of work during the Performance Period;
- (c) changes Roles@QBE level during the Performance Period;
- (d) receives a Salary increase or decrease during the Performance Period; or
- (e) 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 EIP Grant 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 EIP Grant is decided, paid or granted.

11. **VESTING OF EIP CONDITIONAL RIGHTS**

11.1 **Date of Vesting**

Subject to these Rules and the paragraphs below:

- (a) the First Tranche will vest on the First Vesting Date;
- (b) the Second Tranche will vest on the Second Vesting Date;
- (c) the Third Tranche will vest on the Third Vesting Date;
- (d) the Fourth Tranche 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 EIP 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 EIP Conditional Rights would be prohibited by law. 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 EIP 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, acting reasonably, 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, 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 EIP Conditional Rights into QBE shares it considers it appropriate to do so.

11.2 Vested EIP Conditional Rights Dividends

Notional dividends on an EIP 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 EIP Conditional Right in accordance with Rule 11.1 in the form of additional QBE Shares (or cash in lieu). Notional dividends in respect of an EIP 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. EIP CONDITIONAL RIGHTS - GENERAL RULES

12.1 No interest

An EIP 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 EIP Conditional Rights

At the Committee's discretion, EIP Conditional Rights may be extinguished at any time by the Company issuing to the Participant QBE Shares equal to the number of EIP Conditional Rights granted 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 EIP 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 EIP Conditional Rights in accordance with this Rule by reference to the EIP Conditional Rights converted to QBE Shares.

12.3 Non-transferability and bankruptcy

An EIP Conditional Right granted to any Participant:

- (a) will not be transferred, assigned, encumbered, charged or otherwise disposed of by the Participant (except on the Participant's death to their personal representatives) and any attempt to do so will result in the lapse of the EIP 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 EIP Conditional Rights granted to a Participant or any other terms and conditions of an EIP 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 EIP Conditional Right Grant. Nothing in the terms and conditions of an EIP Conditional Right Grant 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 EIP Conditional Right due to the issue of further QBE Shares by the Board.

12.5 **Listing Rules**

EIP 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 EIP Conditional Right, then the terms of the EIP 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 EIP CONDITIONAL RIGHTS**

If, 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; 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;
- (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 EIP Conditional Rights which have been granted to the Participant will lapse immediately and the Participant will not be entitled to any payment or other benefit in lieu.

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 EIP CONDITIONAL RIGHTS (MALUS)

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

- (a) serious misconduct or misconduct leading to significant adverse outcomes by the Participant; 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 EIP Grant 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,

in each case that were not foreseen or known by the Committee at the time of granting the Unvested EIP Conditional Rights.

The Committee may also adjust any Unvested EIP Conditional Rights downward, to zero if appropriate, if such an adjustment is necessary to:

- (a) protect the financial soundness of the Group; or
- (b) respond to significant unexpected or unintended consequences that were not foreseen by the Committee.

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

16. VARIATION AND REPAYMENT OF VESTED EIP GRANTS (CLAWBACK)

To the extent permissible by applicable law 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) of any EIP Grant that has vested and/or been issued or paid including, without limitation, Vested EIP Conditional Rights, EIP Cash Grants, QBE Shares and/or cash paid in lieu of QBE Shares (**Clawback**).

EIP Grants 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 EIP Grant determination was based; or
 - (ii) upon which the Committee based its determination of the extent to which the Performance Targets have been met; and/or
- (e) material adverse outcomes for customers, beneficiaries or counterparties.

Clawback may be applied to any EIP Grant 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 EIP Grant 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 EIP Grant, 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 EIP Grant calculated in accordance with this Rule 17.1 will comprise an EIP Cash Grant and EIP Conditional Rights Grant in accordance with Rule 5.4 although the Committee may, in its discretion, determine that 100% of the EIP Grant will be an EIP Cash Grant. Any EIP Cash Grant will be paid, and any EIP Conditional Rights will be granted, to the Participant as soon as practicable after the EIP Grant 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 EIP Grant, 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 EIP Grant calculated in accordance with this Rule 17.2 will comprise an EIP Cash Grant and EIP Conditional Rights Grant in accordance with Rule 5.4 although the Committee may, in its discretion, determine that 100% of the EIP Grant will be an EIP Cash Grant. Any EIP Cash Grant will be paid, and any EIP Conditional Rights will be granted, to the Participant as soon as practicable after the EIP Grant has been determined.

17.3 Maintenance of Performance Period

Despite Rule 17.1 or 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 EIP Grant for a Participant will be determined after the end of the Performance Period in accordance with these Rules.

17.4 Unvested EIP 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 EIP Conditional Rights will vest, and how the Unvested EIP 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 EIP 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 EIP Conditional Rights for a Participant will be automatically replaced by equivalent new awards (including as to the value of the Unvested EIP Conditional Rights) over shares in the acquiring company (provided that the Committee has first obtained the written agreement of that acquiring company).

18. MAXIMUM NUMBER OF QBE SHARES

At any time, the aggregate of:

- (a) the total number of QBE Shares which would be transferred if all Unvested EIP Conditional Rights granted under these Rules which have not lapsed vested;
- (b) the total number of QBE Shares which have transferred under these Rules in the previous 10 years; and
- (c) the total number of QBE Shares which:
 - (i) may be transferred; or
 - (ii) have transferred,

under any other employee share, option or equity plan (including as to conditional rights) operated by any Participating Company in the previous 10 years;

must not on any day exceed 10% of the ordinary share capital of the Company in issue immediately before that day.

19. CONFIDENTIALITY

The terms of an Invitation, EIP Grant, EIP Cash and EIP Conditional Rights are confidential and must not be disclosed by the Participant unless required by law or to obtain professional advice.

20. 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.

21. TERMS OF EMPLOYMENT

- 21.1 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.
- 21.2 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.
- 21.3 No Employee has a right to participate in the Plan. Participation in the Plan or receipt of an EIP on a particular basis in any Performance Period does not confer any right on the Employee to participate in a plan or receive a short term incentive on the same basis, or at all, in respect of any other performance period.
- 21.4 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.
- 21.5 Other than in respect of Rule 15, 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.
- 21.6 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.
- 21.7 Receipt of an EIP under this Plan is subject to applicable law and regulatory requirements. If an EIP is prohibited in whole or in part by any law or regulatory requirement then the Employee will have no claim for the payment or other benefit in lieu.

22. GENERAL

22.1 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.

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.

22.2 **Decisions or determinations by the Committee**

Other than in respect of Rule 15, 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.

22.3 **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.

22.4 **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.

22.5 **Set off**

- (a) Where at the time an EIP Cash Grant 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, 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 EIP 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, decide to reduce the number of EIP 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 EIP Conditional Rights which will be used to offset the payment due to the Participating Company, the Committee will value each Unvested EIP 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 EIP 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 EIP Conditional Rights as is necessary to raise the funds required to repay the debt referred to in Rule 22.5(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 EIP Conditional Rights.

22.6 **No other rights**

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

22.7 **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.

22.8 **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.

22.9 **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.

22.10 **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.

22.11 **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.

22.12 **Suspension and cancellation**

The Committee may from time to time suspend the operation of the Plan and may at any time cancel the Plan.

22.13 **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.

ADDENDUM FOR THE UNITED KINGDOM

This Addendum sets out and clarifies how the EIP Plan is applied in the United Kingdom by amending the terms and conditions of the EIP Plan.

A. EIP CASH GRANT

Any payment of EIP Cash in relation to an EIP Cash Grant shall be paid subject to deduction of income tax and employee's national insurance.

B. FORM OF EQUITY GRANT

Any EIP Conditional Rights Grant made in accordance with this Plan to a Participant may, at the discretion of the Committee, be in the form of zero exercise price options (**ZEPOs**) for QBE Shares instead of conditional rights. In this event, all references to conditional rights in the EIP Plan will, for the United Kingdom, be taken to be references to ZEPOs. A Participant will not receive, and will have no entitlement to receive, conditional rights.

C. VESTING DATE

At the date of vesting of a ZEPO in accordance with Rule 11.1 of the EIP Plan Rules (**Vested ZEPO**), the Vested ZEPO (and any notional dividends accrued under Rule 11.2) will become exercisable by the Participant.

D. EXERCISE OF ZEPOS

D.1 Period of exercise

Subject to Rule D.2 of this Addendum, a Vested ZEPO (and any notional dividends accrued under Rule 11.2) will be exercisable up until the date that is 10 years from the Grant Date (**Exercise Period**). If not exercised in that time, the Vested ZEPO (and any notional dividends accrued under Rule 11.2) will lapse.

D.2 Exercise of Vested ZEPOs when employment ceases

Subject to applicable law and Rule D.3 of this Addendum, if a Participant's employment with the Participating Company that employs them ceases during the Exercise Period, any Vested ZEPOs which have not been exercised by the Participant will automatically be exercised on the date that is 30 days following the date the Participant's employment with the Participating Company that employs them ceases (or if the Company's Trading Policy prohibits dealing within at that time, within 30 days of such dealing being permitted), unless the Participant exercises the Vested ZEPOs earlier.

D.3 Loss of Vested ZEPOS

Despite Rule D.2 of this Addendum, if a Participant's employment is terminated for gross misconduct, any Vested ZEPOs which have not been exercised by the Participant will lapse immediately and the Participant will not be entitled to any payment or other benefit in lieu.

D.4 Variation of unvested ZEPOs

The reference to "serious misconduct" in Rule 15(a) of the Plan shall be replaced with "gross misconduct".

D.5 Form of exercise

The exercise of any Vested ZEPO shall be effected in the form and manner prescribed by the Committee from time to time. The First, Second, Third and Fourth Tranches may, once they have vested, be exercised in whole or part unless, to facilitate the easier administration of the EIP Plan, the Committee decides to impose a minimum number of QBE Shares in respect of which of Vested ZEPOs may be exercised. Subject to any decision of the Committee, if the First, Second, Third or Fourth Tranche is exercised in part, the Participant may exercise the balance of the Tranche at some other time during the Exercise Period.

D.6 Taxation as a result of exercise

If a liability to income tax or employee's national insurance (**Employee Tax Liability**) arises as a result of the exercise of any Vested ZEPO then unless the Participant has indicated in the form of exercise that they will make a payment to the Company (or as directed to the Participating Company that employs the Participant) of an amount equal to the Employee Tax Liability and the Participant does, within 7 days of being notified by the Company of the amount of the Employee Tax Liability, make such payment to the Company, then the Company may sell or procure the sale of sufficient QBE Shares to meet the Employee Tax Liability. In such circumstances the Company will arrange payment to the member of the Group (or other relevant person) on which the Employee Tax Liability falls of an amount equal to the Employee Tax Liability out of the proceeds of sale (by way of reimbursement).

D.7 Transfer of QBE Shares or cash in lieu

As soon as reasonably practicable after a Vested ZEPO has been exercised:

- (a) subject to Rule D.7(b) of this Addendum, the Company will transfer or procure the transfer to the relevant Participant an amount of QBE Shares equivalent to the number of Vested ZEPOs that have been exercised; and
- (b) despite Rule D.7(a) of this Addendum, the Committee may, at its discretion, pay cash in lieu of Vested ZEPOs that have been exercised at the weighted average sale price of a QBE Share over the 5 trading days on the Australian Securities Exchange prior to the date of exercise of the Vested ZEPO.

D.8 Tax on cash in lieu payment

If the Committee determines to make a cash in lieu payment under Rule D.7(b) or under Rule 11.2 of the Plan, such payment shall be made subject to deduction of income tax and employee's national insurance.

E. GOVERNING LAW

This Addendum shall be governed and construed in accordance with the laws of New South Wales and the Courts of New South Wales have non-exclusive jurisdiction to hear any dispute.

F. AMENDMENTS AND CANCELLATION

The Committee may, at any time, determine to alter, replace, suspend or cancel the operation of this Addendum, although any alteration, replacement, suspension or cancellation must not disadvantage a Participant in connection with any ZEPOs granted which are subject to a vesting date or any Vested ZEPOs.