

Remuneration Report



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To our shareholders,

On behalf of the Board, I am pleased to present QBE's Remuneration Report for 2023.

As a Board, we are committed to overseeing the evolution of QBE's people and culture strategic priorities to meet the changing needs of the business. As Chair of the People & Remuneration Committee, I am especially proud to acknowledge the continued hard work and dedication of our people in enabling a sustainable and resilient workforce.

We have made substantial progress during 2023 and I think it is important to share a few examples of how this has come to life: the launch of our 'Why QBE' campaign focused on career and development opportunities and building deeper succession pathways at QBE; the ongoing Safety to Speak Up initiative encourages our people to participate, experiment, challenge, and to call out risks, issues or concerns; leadership capability programs across our three enterprise leadership groups supported the embedment of the QBE DNA through role modelling in day-to-day activities. This is particularly important as having the right culture in place is crucial to our future success. In addition, the launch of QShare, our new opt-in employee share purchase plan, brings our enterprise together and helps a wider range of our employees to think and act as shareholders. During the year, QBE received external recognition through an array of people and culture awards, see [page 43](#).

Executive key management personnel

During 2023, we had some changes at the executive leadership level. The two internal appointments to our executive key management personnel (KMP) highlights the bench-strength of high calibre leaders already within QBE and reflects the enhanced focus we have made on internal talent and leadership over the last few years. Peter Burton was appointed as Group Chief Underwriting Officer on 4 September 2023; and Julie Wood, as Chief Executive Officer (CEO), North America, on 18 September 2023.

The global market for attracting and retaining talent remains highly competitive, and we continue to invest to ensure QBE stands out as an employer of choice. Having conducted a detailed benchmark comparison of local and global companies with a similar footprint, industry and complexity, and recognising the cumulative impacts of inflation, an adjustment of up to 5% was applied to the fixed remuneration of the executive KMP during 2023. The long-term incentive (LTI) maximum opportunities were also aligned for the three Divisional CEOs and Group Chief Financial Officer to drive long-term performance.

Performance during 2023

QBE recorded a Group adjusted cash return on equity (ROE) for incentive purposes of 16.0%, a strong result above target, buoyed by more resilient underwriting performance and a favourable investment result. The strong investment returns were underpinned by higher interest rates, while risk asset returns were also sound, despite weaker returns in the unlisted property portfolio.

Our business has demonstrated continued resilience despite numerous catastrophes, with multiple storm, flood, wildfire and hurricane events across key regions during 2023, although underwriting profitability was challenged by the impact of largely catastrophe related prior year development. As a result, the Group combined operating ratio (COR) for incentive purposes was 95.2%, between threshold and target.

We've continued to make strong progress on each of our six strategic priorities and uplifted our risk maturity across the Group.

+ For more information on the strategic priorities' achievements and the financial performance in 2023, refer to [pages 6 to 15](#).

The executive KMP business scorecard outcome is utilised as an input in determining executive KMP incentives. For the 2023 performance year, having considered the financial and non-financial measures, the executive KMP business scorecard was assessed as slightly below target, see [page 47](#).

The Board's consideration of executive KMP performance against their 2023 objectives resulted in their incentive outcomes for the period ranging between 55.2% to 70.0% of their maximum opportunity, see [pages 48 and 49](#). The Group CEO received 91.9% of the target opportunity (61.3% of the maximum opportunity), of which 50% is deferred as conditional rights and vests in equal tranches over the first, second, third and fourth anniversaries of the award.

- For more information on 2023 executive KMP remuneration, refer to [pages 48 and 49](#).

Non-executive directors

As part of our continuous Board renewal, the Board appointed Peter Wilson and Stephen Ferguson as new non-executive directors during 2023, with Penny James joining the Board in January 2024. Non-executive director fees were reviewed to ensure they remain competitive relative to international financial institution peers and commensurate with the directors' experiences, accountabilities and workloads. Following this review, an increase of 3% will apply from 1 January 2024, the first such increase since 2015.

- For more information on 2023 non-executive director remuneration, refer to [pages 62 to 64](#).

Looking ahead

The new Australian Prudential Standard CPS 511 *Remuneration* (CPS 511) will apply across the remuneration programs in the new performance year; and includes the addition of non-financial measures in the LTI plan. As alluded to in last year's Remuneration Report, I am pleased to confirm that we have included a new measure for the LTI awards in 2024 which supports our sustainability strategy and commitments. This will be in place alongside a new customer-aligned measure, see [page 45](#). Further details will be shared in the 2024 Remuneration Report.

For 2024, there will be continued focus on uplifting the capability of our employees and the implementation of multiple people and culture initiatives that will support how we build a resilient workforce for the future.

Thank you for your support in 2023. As always, we welcome shareholder feedback.

Tan Le

Chair, People & Remuneration Committee

Recognition and awards

Gender Equality Index (GEI)

2023 Bloomberg GEI

Top 100 for Gender Equality

2023 Equileap Global Report & Ranking

Most Inclusive Workplace (Australia)

2023 Australian HR Institute (AHRI)

Platinum Well Workplace Award (USA)

2023 Wellness Council of America

HR Asia Best Companies to Work for In Asia (Hong Kong)

2023 Business Media International

Parental Policies Award (UK)

2023 Working Dads Employer Awards

Our remuneration at a glance

Remuneration framework

Our remuneration strategy is designed to attract, retain and motivate QBE's executives by providing market competitive remuneration, aligned with the creation of sustained shareholder value and robust risk management practices.

Our purpose

QBE - enabling a more resilient future

Our remuneration principles

The guiding principles which promote robust risk management practices are applied effectively to manage remuneration and reward across the Group.



Simple and clear



Linked to strategy



Motivating



Aligned to shareholders



Globally consistent and locally competitive

The remuneration framework supports our strategy

Simple and clear

A simple and clear view of how delivery of our strategy impacts incentive outcomes for our executives.

Adaptable to changes in our strategy and external environment

Performance targets aimed at delivering our long-term objectives will evolve with our strategy, changes to business cycles and the external operating environment.

Measures that are correlated with performance

Measures that focus on profitability, management of the balance sheet and our longer-term strategic priorities enable remuneration outcomes to reflect a holistic view of performance.

Encourages our executives to think and act like business owners

A significant portion of incentives is paid in equity which focuses executives on creating shareholder value, managing risk and being accountable for the long-term success of QBE.

Aligning remuneration to culture and managing risk

The remuneration structure is designed to align remuneration with prudent risk-taking, underpinned by our QBE DNA which describes who we are, what we stand for and how we need to operate to be successful.

The way that each executive complies with the requirements of our Group Code of Ethics and Conduct (the Code) and manages their risk is a key consideration of the Board in determining their incentive outcomes.

Executive KMP performance assessments include a formal assessment of risk and behaviours using input from the Group Chief Risk Officer (CRO), the Chair of the People & Remuneration Committee, the Chair of the Board Risk & Capital Committee and chairs of divisional boards where relevant.

In 2023, we continued to focus on measuring not only what was achieved but how it was achieved to further strengthen our culture. The future inclusion of non-financial elements in our LTI plan, together with extended deferral for certain regulated roles, further promotes the effective management of financial and non-financial risks.

Remuneration key features

A high level summary of the terms of the Group CEO's remuneration arrangements in 2023 is presented below:

Annual Performance Incentive (API)

Delivered through

A mix of API cash (50%) and API deferred equity (50%)

Incentive opportunity

150% (target), 225% (maximum)

Performance period

One year

Equity deferral period

One to four years from end of performance period

Performance measures

Performance measured through a business scorecard containing Group cash ROE and Group COR financial measures alongside non-financial measures. These incorporate metrics based on risk, people and culture and strategic priorities. In addition, individual performance objectives focus both on what has been achieved and how they were achieved during the year.

Long-term Incentive (LTI)

Delivered through

Equity (100%)

Incentive opportunity

200% (maximum face-value)

Performance period

Three years

Equity deferral period

Three to five years from start of performance period

Performance measures

Two measures: Average Group cash ROE (70%) and relative Total Shareholder Return (TSR) (30%) with a global insurance peer group.

Malus and clawback provisions and executive minimum shareholding requirements (MSR) continue to apply.

LTI changes for 2024

The 2024 LTI plan will incorporate two new strategic measures to support future performance, enabling resilience and value generation for our stakeholders.

We are including non-financial measures in the 2024 LTI as required by CPS 511. Sustainability and Customer, together with relative TSR and average Group cash ROE will drive towards a strategically aligned resilient future. A high level summary is provided below.

Sustainability

QBE recognises the importance for people, communities and businesses to build resilience in order to address the challenges we face now, and into the future. The new LTI performance measures, aligned to our sustainability strategy, will help drive forward our sustainability commitments.

For the 2024 LTI award, the measures will track our performance against a range of targets aligned with our three sustainability focus areas. These provide significant opportunity to expand into further sustainability-focused initiatives in future years.

Customer

The inclusion of customer measures in the 2024 LTI encourages our senior leaders to continue to improve how we service our customers. Delivering an enhanced customer experience through modernising key business processes during the performance period will make it easier for customers to do business with us.

Better customer experiences will be evidenced through improved external ratings from broker relationships and efficient and consistent improvements in business processes through modernisation.

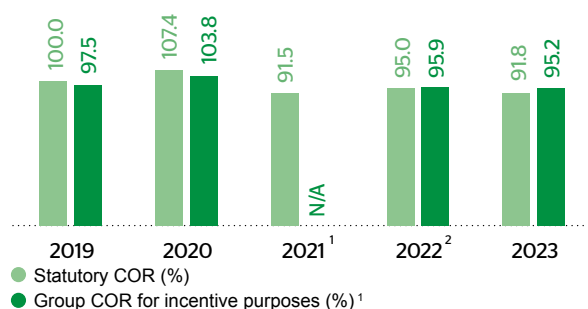
There are both quantitative and qualitative metrics aligned to the new non-financial measures. Following the three-year performance period, a pre-vest assessment by the Board will determine appropriate vesting outcomes. Where the LTI measures are deemed to be commercially sensitive, they will be disclosed at the end of the performance period (unless sensitivity remains).

Five-year performance

The Group's financial performance demonstrated greater consistency and resilience in a dynamic operating environment, though our underwriting performance highlights we still have further work ahead of us.

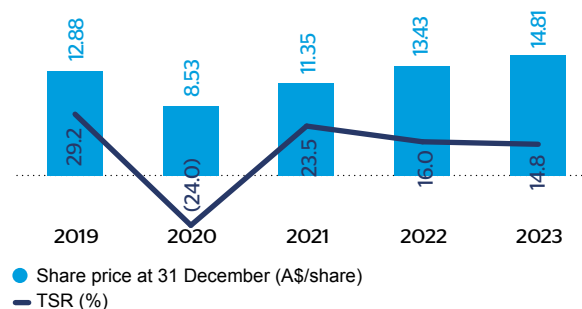
Financial performance

COR

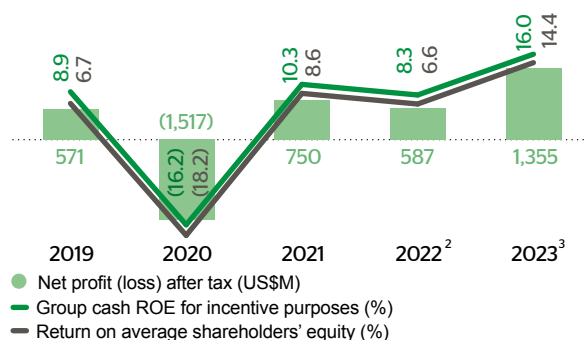


Return to shareholders

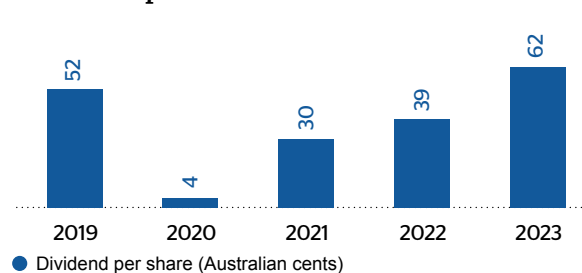
Return to shareholders



Profit measures



Dividend per share



Group CEO outcomes

	2019	2020	2021	2022	2023
Short term incentive achievements as % of target ^{4,5}	68.5	90.4	115.2	98.1	91.9
LTI vested (% of grant) ⁶	0	-	-	-	-

2020 LTI vesting outcomes

	ACHIEVEMENTS	WEIGHTING	% OUTCOME ACHIEVED
2020 LTI measures		100%	17.3%
Relative TSR ASX 50 peer group	Achieved at 60th percentile	25%	69.1%
Relative TSR global insurance peer group	Below the 50th percentile	25%	0%
Average Group cash ROE	Below the threshold of 8%	50%	0%

Tracking of unvested LTI awards

2021 LTI award – vesting Q1 2024/25/26 – Average Group cash ROE and relative TSR performance – Partial vesting⁷

2022 LTI award – vesting Q1 2025/26/27 – Average Group cash ROE and relative TSR performance – On track

2023 LTI award – vesting Q1 2026/27/28 – Average Group cash ROE and relative TSR performance – On track

- For incentive purposes, the 2021 Group COR was replaced by a blended Group COR. For details please see the 2021 Remuneration Report.
- The 2022 results have been restated to reflect the application of AASB 17 *Insurance Contracts*. Remuneration outcomes were not revised.
- Group adjusted cash ROE for incentive purposes of 16.0% is as provided on page 13.
- Full details for 2023 are provided on page 48.
- Legacy plans are detailed on page 57 and comprise Short Term Incentive (STI) from 2019 to 2021. The API was introduced in 2022.
- The '-' indicates no LTI award was eligible for vesting in the relevant year, where '0' indicates zero LTI vested. The current Group CEO was not in role and therefore was not eligible to receive the 2020 LTI; for details of the 2020 LTI please see the 2020 Remuneration Report.
- For details on the 2021 LTI Group cash ROE targets, see page 56. Further details on vesting will be disclosed in the 2024 Remuneration Report.


How we performed - executive KMP business scorecard

Our focus on both financial and non-financial measures during the 2023 performance year resulted in the outcome for the executive KMP business scorecard as summarised below.

Financial
WEIGHTING: 70%


Group COR

The Group COR for incentive purposes was 95.2%, a result between threshold and target. From a divisional performance perspective, North America made progress in rebalancing its portfolio, noting underwriting profitability was challenged by short-tail reserve strengthening. Non-core lines, made up of recently terminated or legacy business, weighed heavily on underwriting performance accounting for a significant amount of divisional catastrophe costs and reserve strengthening. The International result included strong premium growth and excellent underwriting profitability. Australia Pacific achieved strong premium growth, and delivered resilient underwriting returns in light of ongoing catastrophe activity and persistent inflation. For detailed commentary of Group and divisional financial performance, please refer to pages 8 to 15.

OUTCOME: 

Group cash ROE


QBE recorded a Group adjusted cash ROE for incentive purposes of 16.0%, which was above target buoyed by a resilient underwriting performance and a strong investment result. Favourable investment performance was supported by higher interest rates. While risk asset returns were sound overall, there were weaker returns in the unlisted property portfolio. Our business has demonstrated continued resilience despite a dynamic operating environment, which included heightened catastrophe activity and increased inflation impacting all regions.

OUTCOME: 

Non-financial
WEIGHTING: 30%


Risk

The annual Risk Maturity Self-Assessment completed for 2023 received an outcome of 'embedded' and reflects improvements across all elements of our Enterprise Risk Management Framework. Risk Skills and Culture was the highest scoring element driven by improvements in psychological safety and speaking up and tone from the top, both essential to influencing effective risk management across the Group. Uplift was also seen in risk-based decision making and how risk is governed, evidencing a greater ownership of risk within the business.

OUTCOME: 


People and culture

Positive progress against the people and culture initiatives was achieved in 2023 with the launch of our Employee Promise 'Why QBE' campaign which reinforced career development opportunities and succession pathways through our three enterprise talent groups. Further improvements were made on employee engagement levels and we achieved our Women in Leadership targets, supported by strengthened inclusion of diversity (IoD) activity across the enterprise. This included introducing global inclusive recruitment principles and IoD Policy enhancements. Innovative new global targets focused on equal sense of belonging across the dimensions of gender, race/ethnicity, disability status and LGBTIQ+ identification were also introduced, along with the launch of our new employee share purchase plan, QShare.

OUTCOME: 

Strategic priorities

The delivery of our strategic priorities progressed well in 2023. There was a notable reduction in volatility achieved through portfolio optimisation initiatives, including portfolio exits and the reserve transaction. We progressed cyber and delivered sustainable growth across a number of areas, including reinsurance, global specialty and QBE's UK business. Bring the enterprise together was a key enabler supporting initiatives to improve performance. Our efforts to modernise our business focused on progressing our enterprise data strategy and our approach to piloting and scaling AI.

OUTCOME: 

API business scorecard weighted outcome: **Slightly below target**

The Board considered quantitative and qualitative factors in determining the final outcome of the executive KMP business scorecard.

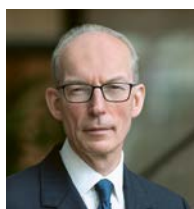
Executive KMP performance snapshots

The realised remuneration outlined below provides an overview of actual remuneration outcomes for executive KMP.

QBE discloses actual remuneration outcomes in the financial period under review for executive KMP in role at 31 December 2023. The realised 2023 remuneration figures below include the accrued API cash award for the 2023 financial year, the value of any conditional rights granted in prior years that vested during 2023 and executive shareholdings against the MSR.

Andrew Horton

Group CEO



Term as KMP in 2023
Full year

Country of residence
Australia

Total value of shareholdings against the MSR
(times fixed remuneration) **4.8**

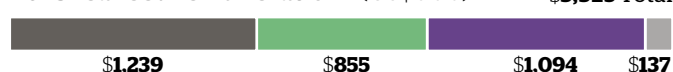
2023 API outcome (US\$000)

91.9% of target



2023 realised remuneration¹ (US\$000)

\$3,325 Total



Peter Burton

Group Chief Underwriting Officer



Term as KMP in 2023
Commenced 4 September 2023

Country of residence
United Kingdom

Total value of shareholdings against the MSR
(times fixed remuneration) **0.8**

2023 API outcome (US\$000)

83.1% of target



2023 realised remuneration¹ (US\$000)

\$414 Total



Jason Harris

Chief Executive Officer, International



Term as KMP in 2023
Full year

Country of residence
United Kingdom

Total value of shareholdings against the MSR
(times fixed remuneration) **1.7**

2023 API outcome (US\$000)

105.0% of target



2023 realised remuneration¹ (US\$000)

\$1,972 Total



Sue Houghton

Chief Executive Officer, Australia Pacific



Term as KMP in 2023
Full year

Country of residence
Australia

Total value of shareholdings against the MSR
(times fixed remuneration) **2.3**

2023 API outcome (US\$000)

84.3% of target



2023 realised remuneration¹ (US\$000)

\$1,578 Total



¹ The value of vested conditional rights awards has been calculated using the share price on the vesting date. These figures are different from those shown in the statutory table on page 58. For example, the statutory table includes an apportioned accounting value for all unvested conditional rights held during the year, which remain subject to performance and service conditions and consequently may or may not ultimately vest.

Amanda Hughes

Group Chief People Officer



Term as KMP in 2023
Full year

Country of residence
Australia

**Total value of shareholdings
against the MSR**
(times fixed remuneration)

1.3

2023 API outcome (US\$000)

97.6% of target



2023 realised remuneration¹ (US\$000)

\$971 Total



Fiona Larnach

Group Chief Risk Officer



Term as KMP in 2023
Full year

Country of residence
Australia

**Total value of shareholdings
against the MSR**
(times fixed remuneration)

0.6

2023 API outcome (US\$000)

82.8% of target



2023 realised remuneration¹ (US\$000)

\$956 Total



Inder Singh

Group Chief Financial Officer



Term as KMP in 2023
Full year

Country of residence
Australia

**Total value of shareholdings
against the MSR**
(times fixed remuneration)

1.9

2023 API outcome (US\$000)

95.8% of target



2023 realised remuneration¹ (US\$000)

\$2,368 Total



Julie Wood

Chief Executive Officer, North America



Term as KMP in 2023
Commenced 18 September 2023

Country of residence
United States

**Total value of shareholdings
against the MSR**
(times fixed remuneration)

0.7

2023 API outcome (US\$000)

84.0% of target



2023 realised remuneration¹ (US\$000)

\$412 Total



Key: ● Fixed remuneration ● API cash ● API deferred equity ● Value of vested rights ● Other

Remuneration Report continued

1. REMUNERATION GOVERNANCE

QBE has a robust remuneration governance framework overseen by the Board. This ensures that the remuneration arrangements are appropriately designed and managed and that the agreed frameworks and policies are applied and monitored across QBE.

Board

Has overall responsibility for the remuneration strategy and outcomes for executives and non-executive directors.

People & Remuneration Committee

Is the main governing body for key people and remuneration items across the Group.

- Further details on the role and scope of the People & Remuneration Committee are set out in the QBE People & Remuneration Committee charter, available from www.qbe.com/investor-relations/corporate-governance/qbe-charters-and-constitution.

Group CEO

Divisional People & Remuneration Committees

External advisers

Managing risk

The continued focus on and investment in managing our risk provides for a stronger and more resilient QBE. Executive KMP are required to adhere to a range of Group-wide policies to ensure risks are well managed, strong governance structures are in place and high ethical standards are maintained. The remuneration governance framework incorporates risk oversight principles so that executives cannot unduly influence a decision that could materially impact their own incentive outcome. The Board approves a comprehensive delegated authority for the Group CEO, which is an integral part of QBE's risk management process.

The People & Remuneration Committee works closely with the Board Risk & Capital Committee, with members of both committees attending a joint meeting at least once a year. Further, members of the Board attend the meetings of the People & Remuneration Committee during the year which contributes to strengthened remuneration governance across QBE. The Group CRO attends and provides input to the joint committee meetings with resultant risk outcomes appropriately reflected in remuneration decisions and aligned with the Group's risk management framework.

The performance-based components of remuneration established in QBE's incentive plans are designed to encourage behaviour that supports the Group's long-term financial soundness. Specifically, the QBE incentive plans:

- deliver a target remuneration mix balanced between fixed/variable remuneration, short- and long-term and cash and equity;
- incorporate individual performance objectives through the API that measure demonstrable proactive sound risk management, including an assessment of risk maturity and the setting of a clear and consistent tone about the importance of managing risk;
- incorporate robust corporate standards for all employees supporting the QBE risk culture;
- balance performance outcomes based on delivery against a range of financial and non-financial measures which are set in the context of business plans that have been appropriately stress-tested by the Group CRO;
- enable the build-up of meaningful shareholding with API deferred equity and LTI underpinned by the MSR (refer to [page 52](#));
- provide the Board with discretion to take other factors into account when determining the appropriate incentive outcome; and
- allow for multiple risk adjustments: in-year, malus for unvested awards and clawback of cash and vested equity (refer to [page 51](#)).

As part of the 2023 year-end process, an assessment of each senior executive's approach to risk management has been completed using input from the Group CRO. This process recognises positive and negative risk culture and risk management through upward or downward adjustment of performance ratings, incentive payouts and consequences (that can include executives leaving the organisation). Across the Group in 2023, over 100 assessments were carried out including for executive KMP and divisional executive teams. Reviews against the malus and clawback provisions were also completed as part of the year-end process. While there was no application of malus or clawback in 2023, there were upward and downward performance ratings and/or incentive adjustments applied across the workforce.



Group Code of Ethics and Conduct

The Code provides clear guidance to employees, contractors, directors and others representing QBE on how we should conduct ourselves, reinforcing our culture and highlighting the responsibilities we have to the organisation, each other, and to our customers, partners, communities and governments. Through following the Code and our QBE DNA behaviours, we demonstrate the expected standards of professionalism and ethical behaviour in our actions and interactions.

➕ A copy of QBE's Group Code of Ethics and Conduct is available from www.qbe.com/investor-relations/corporate-governance/global-policies.

Consequence management

The QBE Consequence Management Policy was implemented in 2023. The policy introduces principles and guidance to ensure consequences for misconduct or poor risk outcomes are fair, consistent and aligned with local legislative, regulatory and Code requirements.

Malus and clawback provisions reflect QBE's regulatory obligations to incorporate terms allowing for the adjustment of incentive awards to protect QBE's financial soundness and ability to respond to unforeseen significant issues.

Malus provision

The malus provision gives the People & Remuneration Committee and the Board discretion to reduce the amount of an unvested award (including to zero) in certain circumstances during the retention period, including in the case of:

- misconduct leading to significant adverse outcomes;
- a significant failure of financial or non-financial risk management;
- a significant failure or breach of accountability, fitness and propriety, or compliance obligations;
- a significant error or a significant misstatement of criteria on which the variable remuneration determination was based; and/or
- significant adverse outcomes for customers, beneficiaries or counterparties.

Clawback provision

The clawback provision allows, to the extent permissible by applicable law, all variable remuneration (cash and deferred remuneration) to remain subject to clawback for a period of two years from the date of payment or vesting (as the case may be) of the relevant component of variable remuneration.

The Board can determine whether to apply clawback to paid or vested variable remuneration and, if so, the appropriate value over which clawback will be applied.

The circumstances in which the Board may apply clawback include those where it concludes in good faith that there is or has been:

- misconduct leading to material adverse outcomes;
- a material failure of financial or non-financial risk management;
- a material failure or breach of accountability, fitness and propriety, or compliance obligations;
- a material error or a material misstatement of criteria on which the variable remuneration determination was based; and/or
- material adverse outcomes for customers, beneficiaries or counterparties.

Clawback may be applied to any variable remuneration regardless of whether or not the employment or engagement of the relevant person is ongoing.

Adjustments to incentive plans

The API and LTI rules provide suitable discretion for the People & Remuneration Committee to adjust any formulaic outcomes to ensure awards under these plans appropriately reflect performance.

The People & Remuneration Committee may defer the vesting of any award after the end of any performance period to one or more participants in circumstances where there is a dispute of any nature between a participant and QBE, or in cases where a participant's actions or inactions may be relevant to an ongoing internal or external investigation.

Further, the People & Remuneration Committee may reduce any unvested award to zero, if considered appropriate, in the instances of misconduct, misstatement or to protect the financial soundness of QBE.

Remuneration Report continued

1. REMUNERATION GOVERNANCE

Securities Trading Policy

Trading in QBE ordinary shares is generally permitted outside of designated closed periods. QBE's Securities Trading Policy states that non-executive directors and other designated employees must notify any intended share transaction to nominated people within the Group. The policy prohibits the hedging of QBE securities at all times. The purpose of this prohibition is to ensure that there is an alignment between the interests of non-executive directors, executives and shareholders.

✚ A copy of QBE's Securities Trading Policy for dealing in securities is available from www.qbe.com/investor-relations/corporate-governance/global-policies.

Minimum shareholding requirement

The MSR ensures executives build their shareholding to have significant exposure to QBE's share price. Under the MSR, a minimum of three times fixed remuneration for the Group CEO (one-and-a-half times for other executive KMP) is to be maintained as long as the executive KMP remains at QBE. New executive KMP are required to build their shareholdings over a five-year period after becoming executive KMP.

The value of shareholdings as a multiple of fixed remuneration as at 31 December 2023 for each executive KMP is shown on pages 48 and 49. All executive KMP have either met the MSR requirements as at 31 December 2023, or are within the five-year period to achieve the MSR.

Use of external advisers

Remuneration advisers provide guidance on remuneration for executives, facilitate discussion, and review remuneration and at-risk reward benchmarking within industry peer groups. They also provide guidance on current trends in executive remuneration practices. Any advice provided by remuneration advisers is used as a guide and is not a substitute for consideration of all the issues by each non-executive director on the People & Remuneration Committee.

Ernst & Young (EY) currently acts as the independent remuneration adviser to the People & Remuneration Committee. The People & Remuneration Committee and the Board are satisfied that the advice provided by EY during 2023 was free from undue influence.

During 2023, management requested and utilised reports on market practice from various reputable sources. No recommendations in relation to the remuneration of KMP were provided as part of these engagements.

Treatment of conditional rights on a change in control of QBE

In accordance with the rules of each of QBE's incentive plans, a change in control is defined as either a scheme of arrangement that has been approved by QBE'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*.

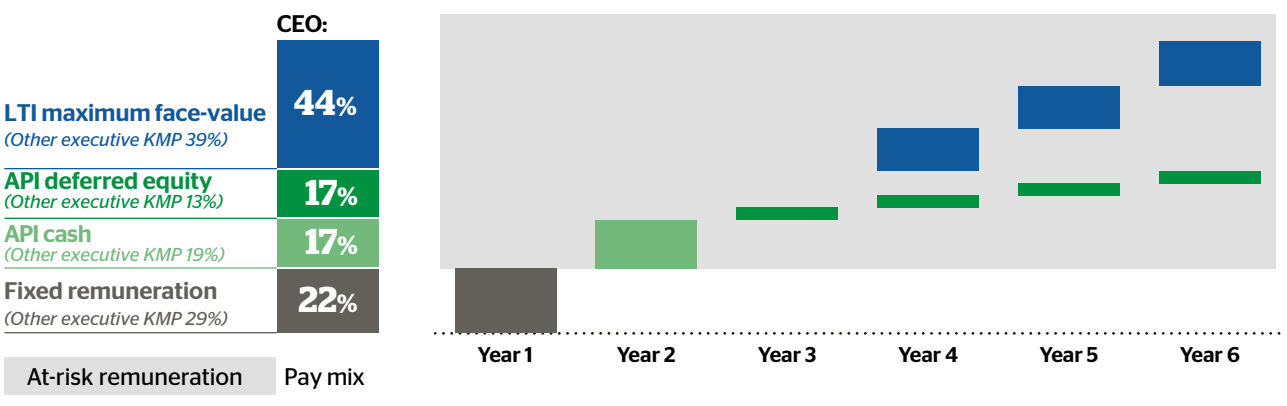
Should a change in organisational control occur, the People & Remuneration Committee has discretion to determine how unvested conditional rights should be treated, having regard to factors such as the length of time elapsed in the performance period, the level of performance to date and the circumstances of the change of control.

2. EXECUTIVE KMP REMUNERATION IN DETAIL

To deliver our strategic ambitions, we must ensure that our executive remuneration framework reflects QBE's desire to attract and retain the best people. Having the right talent across the Group enables us to create shareholder value, while prudently managing risk and maintaining strong corporate governance.

The graph below sets out the typical remuneration structure and delivery for the Group CEO and other executive KMP for on-target performance at 31 December 2023.

Group CEO and other executive KMP pay mix



The average pay mix for other executive KMP is fixed remuneration 29%; API cash 19%; API deferred equity 13%; and LTI maximum face-value 39%. Their individual pay mix reflects the relative accountabilities, responsibilities and regulatory requirements of their role.

Executive KMP remuneration structure

QBE's executive KMP remuneration structure for 2023 comprised a mix of fixed and at-risk remuneration through API and LTI plan arrangements. Each of these components is discussed in further detail on the following pages.

FIXED REMUNERATION - KEY DETAILS

Description

Fixed remuneration comprises cash salary, superannuation/pension and packaged benefits, additional annual benefits and associated taxes. Additional annual benefits may include health insurance, life assurance, personal accident insurance, expatriate benefits, occasional partner travel to accompany the executive on business and applicable taxes.

Fixed remuneration is delivered in accordance with terms and conditions of employment.

Determining fixed remuneration levels

Fixed remuneration considers the diversity, complexity and expertise required of individual roles. Remuneration quantum is set in the context of QBE's broader reward strategy and internal relativities.

To assess the competitiveness of fixed remuneration, the People & Remuneration Committee considers market data and recognised published surveys.

Australian-based executive roles are generally benchmarked to the Australian Securities Exchange (ASX) 30 and ASX 10-50 peer groups of companies, with a specific focus on global companies and companies in the financial services industry. Overseas-based executives or roles that have a global reach are compared with a peer group consisting of global insurers. The peer group of companies used for remuneration benchmarking purposes is set out in the table below:

PEER GROUP	DESCRIPTION
ASX peer group	The financial services sub-peer group is determined based on the industry classification on the ASX and includes commercial banks and insurers.
Global insurance peer group	Consists of large, global insurance companies aligned with the peer group used for the LTI plan.

Remuneration Report continued

2. EXECUTIVE KMP REMUNERATION IN DETAIL

ANNUAL PERFORMANCE INCENTIVE PLAN - KEY DETAILS

Description



The API is an annual, performance-based incentive, measured over a 12-month period. This plan provides an incentive outcome with a clear link between business performance, risk management and individual performance and behaviours, and allows further discretion by the Board to be applied where warranted. The API award is delivered as 60% cash and 40% deferred as conditional rights to QBE shares (50%:50% in the case of the Group CEO). The conditional rights vest in equal tranches over a further four years, on the first, second, third and fourth anniversaries of the award. Vesting is subject to service conditions during the deferral period.

API outcomes may be adjusted by other items (such as material acquisitions or divestments) not included in the business plan and as deemed appropriate by the People & Remuneration Committee.




Performance measures and rationale

The performance measures and a summary of achievements and position against targets is set out in the executive KMP business scorecard on [page 47](#). Performance above threshold leads to outcomes ranging from 30% up to 150% of target. The measures and their rationale for use is provided below:

Financial

MEASURE/ WEIGHTING%	DEFINITION	RATIONALE
COR 	Comprises net claims expense, net commission and expenses and other income as a percentage of net insurance revenue. The measure excludes the impact of risk-free rates because it is consistent with the way we report and the basis on which the market assesses the underwriting performance of QBE.	COR is a key measure reflecting the underwriting performance of our insurance operations, assisting to identify areas of underwriting profitability leading to improved performance.
Group cash ROE 	For the API, this will generally be measured on the same basis used to determine shareholder dividends, with the detailed calculation set out on page 13 . As a principle, losses due to unbudgeted amortisation/impairment of intangibles will, other than in exceptional circumstances, be included in Group cash ROE so that executives remain accountable for the management of intangible assets.	Group cash ROE is a measure of how effectively we are managing shareholders' investment in QBE.

Non-financial

Risk 	Risk outcomes are assessed using the Risk Maturity Self-Assessment, a framework QBE uses to understand how our risk management practices are maturing, how we determine areas of strength and identify areas that may require further investment.	This multi-dimensional measure supports how we assess our effectiveness in managing risk, both from a qualitative and quantitative perspective.
People and culture 	Investment in our people and the strengthening of alignment and collaboration across the enterprise are priorities that enable culture in order to drive performance. A blend of quantitative measures and qualitative outputs provides a comprehensive view of the effectiveness of our people and culture initiatives across the enterprise.	Enabling a more sustainable and resilient workforce will assist us to deliver a more resilient future for our customers, communities and people.
Strategic priorities 	Our focus in 2023 has been to continue the momentum of our strategic priorities: portfolio optimisation, sustainable growth, bring the enterprise together and modernise our business.	How we are actively managing the business to deliver achievements in each of our strategic priority areas is key to delivering our vision.

Individual performance objectives

Aligned with strategic priorities, the individual performance of the executive KMP is assessed both on what was achieved and how it was achieved at the end of the year. This embeds the QBE DNA behaviours in remuneration outcomes.

API conditional rights allocation

To calculate the number of conditional rights to be granted, the award value to be deferred is divided by the volume weighted average price of QBE shares over the five trading days prior to the grant date. Notional dividends accrue on conditional rights during the vesting period. Malus and clawback provisions apply.

➤ **Executive KMP API outcomes for the 2023 performance year are detailed on [pages 48 and 49](#).**



LONG TERM INCENTIVE PLAN - KEY DETAILS

Description

The LTI plan consists of an award of conditional rights to QBE shares. Conditional rights are awarded at no cost to the executive KMP.

Performance measures and rationale

Vesting is subject to two performance measures, assessed over a three-year performance period, and service conditions throughout the vesting period. LTI outcomes may be adjusted by other items (such as material acquisitions or divestments) not included in the business plan and as deemed appropriate by the People & Remuneration Committee.

MEASURE/ WEIGHTING%	DEFINITION	RATIONALE
Group cash ROE		
	The three-year arithmetic average of the annual Group cash ROE over the performance period assessed against targets set in the context of the three-year business plan. The Group cash ROE target is set with reference to the prevailing risk-free rate plus a set margin.	Group cash ROE is the primary financial measure of success for QBE and is most tangible for long-term decision making.
Relative Total Shareholder Return		
	TSR is the change in percentage value of an entity's share price plus the value of reinvested dividends and any capital returns measured over the three-year performance period. TSR of QBE is measured against a global insurance peer group detailed below.	The use of a relative TSR measure enables stronger pay for performance, aligned with shareholders.

TSR peer group - global insurance peer group

Allianz SE	CNA Financial Corporation	The Hartford Financial Services Group, Inc.
American International Group, Inc.	Hiscox Limited	The Travelers Companies, Inc.
AXA SA	Insurance Australia Group Limited	Zurich Insurance Group AG
Beazley plc	QBE Insurance Group Limited	
Chubb Limited	Suncorp Group Limited	

LTI conditional rights allocation

To calculate the number of conditional rights granted, the award value is divided by the volume weighted average price of QBE shares over the five trading days prior to the grant date. Notional dividends accrue on conditional rights during the vesting period. Malus and clawback provisions apply.

Vesting schedules

For the 2023 LTI, the Group cash ROE and TSR vesting schedules are outlined below:

QBE'S GROUP CASH ROE PERFORMANCE	% OF LTI CONDITIONAL RIGHTS SUBJECT TO THE GROUP CASH ROE COMPONENT WHICH MAY VEST
Below risk-free rate + 5.75%	0%
At risk-free rate + 5.75%	30%
Between risk-free rate + 5.75% and risk-free rate + 10.75%	Straight line vesting between 30% and 100%
At or above risk-free rate + 10.75%	100%

QBE'S TSR PERFORMANCE RELATIVE TO THE PEER GROUP	% OF LTI CONDITIONAL RIGHTS SUBJECT TO THE TSR COMPONENT WHICH MAY VEST
Less than 50th percentile	0%
At the 50th percentile	50%
Between 50th and 75th percentile	50% plus 2% for each percentile above the 50th percentile
75th percentile or greater	100%

Vesting periods

Following assessment of performance measures at the end of the three-year performance period, conditional rights will vest in three tranches (on or about the vesting date) set out in the table below:

TRANCHE	VESTING DATE	VESTING PERIOD	PROPORTION OF ELIGIBLE 2023 LTI CONDITIONAL RIGHTS TO VEST
1	27 February 2026	End of the three-year performance period	33%
2	26 February 2027	First anniversary of the end of the performance period	33%
3	28 February 2028	Second anniversary of the end of the performance period	34%

Remuneration Report continued

2. EXECUTIVE KMP REMUNERATION IN DETAIL

Treatment of incentives on termination

Voluntary termination

All unvested incentives are forfeited.

Involuntary termination

On termination with cause or for poor performance:

All unvested incentives are forfeited.

On termination without cause:

For API, the executive remains eligible to be considered for an award on a pro-rata basis, with any award to be determined following the end of the performance year and subject to the standard deferral arrangements.

'Good leaver' provisions (for example, retirement, redundancy, ill health, injury, or mutually agreed separation (in some cases)) will apply such that unvested deferred Executive Incentive Plan (EIP), STI and API conditional rights remain in the plan subject to the original vesting dates and malus, with clawback provisions included from 2021.

In cases of good leavers as described above, unvested LTI conditional rights may be reduced to a pro-rata amount to reflect the proportion of the performance period in service and may continue to be held subject to the same performance and vesting conditions.

Legacy equity awards generally remain in the plan subject to the original performance and vesting conditions, however, the People & Remuneration Committee has discretion to vest these awards in accordance with the original terms and plan rules.

Other equity schemes

The information below summarises QBE's other equity plans mentioned in the Remuneration Report.

QShare

Our employee share purchase and matching plan, QShare, was launched in 2023 to bring our enterprise together, encourage retention and build share ownership. This plan is globally consistent and allows employees to purchase QBE shares up to an agreed threshold using after-tax salary. The QBE shares are matched with conditional rights which may vest in the future, subject to ongoing service and retention of the underlying purchased QBE shares.

2021 LTI award

LTI levelling mechanism

The LTI levelling mechanism, introduced in 2019 and removed after 2021, effectively put a ceiling and a floor on aggregate catastrophe claims in determining LTI outcomes, because extreme or benign catastrophe periods can have a material effect across multiple LTI awards with the performance periods measured over three consecutive years. The cap and collar uses a range of +/- 1.5% of net earned premium on the budgeted catastrophe allowance for which LTI participants are exposed to catastrophe risk. In 2021, the Group adjusted cash ROE was 11%. There was no need to adjust the Group cash ROE for catastrophe claims in 2022 or 2023.

Group cash ROE award targets

The 2021 LTI approach for Group cash ROE, set out in more detail in the 2021 Remuneration Report, addressed the difficulty of long-range forecasting due to significant anticipated economic volatility through setting target ranges for each of the three performance years at the start of each relevant year and providing disclosure in the following year. The threshold and maximum ranges for each relevant year over the performance period are used to create the target range for the three-year performance period:

QBE'S AVERAGE GROUP CASH ROE PERFORMANCE	THRESHOLD	MAXIMUM
2021	6.3%	10.3%
2022	7.9%	11.9%
2023	12.0%	19.0%
Average Group cash ROE over 2021, 2022 and 2023	8.7%	13.7%
% of LTI conditional rights subject to the Group cash ROE component which may vest	30%	100%

Straight-line vesting commences at 30% from the lower range up to 100% at the upper range. Vesting outcomes for the 2021 LTI will be disclosed in the 2024 Remuneration Report.

Executive Incentive Plan - until 31 December 2018 (legacy plan)

The EIP was a performance-based incentive delivered in the form of an annual cash payment and deferred award in the form of conditional rights to fully paid ordinary QBE shares. Performance was measured over a 12-month period. The conditional rights were deferred over four equal tranches: 25% vested over each of the four anniversaries of the award.

EIP outcomes were subject to the achievement of multiple performance measures comprising Group's cash ROE and COR targets, individual performance ratings and, for divisional staff, divisional COR targets.

The EIP was replaced by the STI and LTI plans for executive KMP from 2019. The EIP awards made to Peter Burton and Sam Harrison prior to their appointments as executive KMP include cash-settled share-based payment awards which are subject to the same vesting conditions as the equivalent conditional rights described above. The benefit received at vesting is indexed to the movement in the A\$ value of QBE's shares, including dividends declared, in the period between grant and vest dates.

Short Term Incentive - until 31 December 2021 (legacy plan)

The STI was a performance-based incentive delivered in the form of an annual cash payment and deferred award in the form of conditional rights to fully paid ordinary QBE shares. Performance was measured over a 12-month period. The conditional rights were deferred in two equal tranches: 50% vested on the first and second anniversaries of the award.

STI outcomes were subject to the achievement of a blend of divisional CORs for 2021, Group cash ROE targets, divisional COR targets in the case of divisional employees, and individual performance objectives reflecting QBE's strategic priorities. The STI was replaced by the API from 2022.

Employment agreements

The table below summarises the material terms for the current executive KMP which are subject to applicable laws. The terms and conditions of employment of each executive KMP reflect market conditions at the time of their contract negotiation on appointment and thereafter.

CONTRACTUAL TERM	GROUP CEO	OTHER EXECUTIVE KMP
Duration	Permanent full-time employment contract until notice given by either party	
Notice period (by executive KMP or QBE)	12 months QBE may elect to make a payment in lieu of notice	Six to 12 months QBE may elect to make a payment in lieu of notice
Post-employment restraints	12 months non-compete and non-solicitation	Six to 12 months non-compete and non-solicitation

Remuneration Report *continued***3. EXECUTIVE KMP REMUNERATION TABLES****3.1 Statutory remuneration disclosures**

The following table provides details of the remuneration of QBE's executive KMP as determined by reference to applicable Australian Accounting Standards for the year ended 31 December 2023. Remuneration has been converted to US dollars using the average rate of exchange for the relevant year, details of which can be found on [page 75](#).

	YEAR	SHORT-TERM EMPLOYMENT BENEFITS			POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS ^{4,5} US\$000	TERMINATION BENEFITS US\$000	TOTAL US\$000
		BASE SALARY US\$000	OTHER ¹ US\$000	API CASH ² US\$000	SUPERANNUATION US\$000	LEAVE ACCRUALS ³ US\$000			
Andrew Horton	2023	1,237	137	855	2	9	2,346	–	4,586
	2022	1,246	186	919	3	32	2,125	–	4,511
Peter Burton ⁶	2023	242	23	145	4	–	169	–	583
Jason Harris	2023	839	12	634	–	–	925	–	2,410
	2022	801	7	562	–	–	716	–	2,086
Sue Houghton	2023	671	6	418	17	11	868	–	1,991
	2022	676	16	520	17	(3)	810	–	2,036
Amanda Hughes	2023	533	4	323	17	(15)	439	–	1,301
	2022	536	5	324	17	45	250	–	1,177
Fiona Larnach	2023	602	20	231	17	3	503	–	1,376
	2022	607	18	270	17	9	356	–	1,277
Inder Singh	2023	877	6	617	17	(2)	1,038	–	2,553
	2022	884	11	628	17	18	867	–	2,425
Julie Wood ⁶	2023	242	5	157	8	–	167	–	579
Former executive KMP									
Sam Harrison ⁷	2023	264	10	–	–	–	(1,024)	–	(750)
	2022	776	13	554	–	–	883	–	2,226
Todd Jones ⁷	2023	711	29	372	18	–	1,813	–	2,943
	2022	1,000	33	600	24	–	1,081	–	2,738
Total	2023	6,218	252	3,752	100	6	7,244	–	17,572
	2022	6,526	289	4,377	95	101	7,088	–	18,476

1 Other includes, where relevant, provision of health insurance, partner travel, accommodation costs, staff insurance discount benefits received during the year, life assurance and personal accident insurance and applicable taxes. It also includes tax accruals in respect of employment benefits and other one-off expenses.

2 API cash is payable in March 2024 for the 2023 performance year.

3 Includes the movement in annual leave and long service leave provisions during the relevant year measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. See note 8.6 to the financial statements on [page 139](#) for more detail.

4 Includes conditional rights and legacy cash-settled awards. The fair value of conditional rights at grant date is determined using appropriate models including Monte Carlo simulations and the Black-Scholes model, depending on the vesting conditions. The fair value of each conditional right is recognised evenly over the service period ending at vesting date. Where an award will no longer vest, the related accounting charge for any non-market component is reversed in full and the reversal is included in the table above. This may include conditional rights granted as compensation for incentives forfeited on ceasing previous employment to join QBE. Details of conditional rights are provided on [pages 59 to 61](#).

Amounts include the reversal and acceleration of accounting charges in relation to Sam Harrison and Todd Jones respectively, for unvested incentives on cessation of their employment in accordance with the treatment described on [page 56](#).

5 For Peter Burton and Sam Harrison, the share-based payments expense includes amounts, including reversals, related to legacy cash-settled share-based awards for grants made prior to their appointments as executive KMP under the 2019 to 2021 EIP totalling \$36,000 and (\$220,000) respectively. A description of the EIP is provided on [page 57](#).

6 Peter Burton and Julie Wood were executive KMP for part of the year. Their commencement dates are shown on [pages 48 and 49](#).

7 Sam Harrison, former Group Chief Underwriting Officer, was executive KMP to 28 April 2023. Todd Jones, former CEO, North America, was executive KMP to 31 August 2023. Todd Jones received a pro-rated 2023 API award of 48.9% of the maximum opportunity.

3.2 Executive KMP shareholdings

The table below provides details of movements during the year in the number of ordinary shares in QBE held by executive KMP, including their personally-related parties. In prior years, where non-recourse loans were provided by the Group to executive KMP for the purchase of shares in QBE, details are shown in the Remuneration Report of each relevant year. There were no loans provided to executive KMP during the year ended 31 December 2023.

2023	INTEREST IN SHARES AT 1 JANUARY 2023 NUMBER ¹	DIVIDENDS REINVESTED NUMBER	CONDITIONAL RIGHTS VESTED NUMBER	SHARES PURCHASED (SOLD) NUMBER ²	INTEREST IN SHARES AT 31 DECEMBER 2023 NUMBER ³
Andrew Horton	235,959	–	108,270	(28,500)	315,729
Peter Burton	14	–	–	46	60
Jason Harris	42,371	2,092	48,328	(22,729)	70,062
Sue Houghton	46,250	2,322	46,121	(16,942)	77,751
Amanda Hughes	18,232	342	9,340	58	27,972
Fiona Larnach	–	265	8,603	58	8,926
Inder Singh	190,430	1,818	84,513	(174,942)	101,819
Julie Wood	–	–	–	–	–
Former executive KMP					
Sam Harrison	206	4	60,110	(60,110)	210
Todd Jones	227,108	813	58,783	(70,784)	215,920

- 1 Amounts for Peter Burton and Julie Wood reflect their respective holdings at the date they became executive KMP. Their commencement dates are shown on pages 48 and 49.
- 2 The shares listed as sold may either partially or fully relate to sales to meet withholding tax obligations on the vesting of conditional rights. Shares purchased include executive KMP participation in QShare.
- 3 For former executive KMP Sam Harrison and Todd Jones, this represents their interests in shares at 28 April 2023 and 31 August 2023 respectively, being the dates they ceased to be executive KMP.

3.3 Conditional rights movements

Equity awards at QBE are granted in the form of conditional rights. A conditional right is a promise by QBE to acquire or issue one fully paid ordinary QBE Insurance Group Limited share where certain conditions are met. The table below details conditional rights provided under the terms of both current and legacy plans, details of which can be found on pages 54 to 57, and contractual arrangements. LTI conditional rights are subject to future performance hurdles as detailed on page 55. Conditional rights under the API for the 2023 performance year will typically be granted in the first quarter of 2024.

2023	BALANCE AT 1 JANUARY 2023 NUMBER ¹	GRANTED NUMBER	VALUE AT GRANT DATE US\$000 ²	VESTED AND EXERCISED NUMBER	VALUE AT VESTING DATE US\$000	FORFEITED/ LAPSED NUMBER ³	NOTIONAL DIVIDENDS ATTACHING IN THE YEAR NUMBER	BALANCE AT 31 DECEMBER 2023 NUMBER ⁴
Andrew Horton	611,437	339,974	3,191	(108,270)	1,094	–	25,972	869,113
Peter Burton	103,783	19,821	177	–	–	–	977	124,581
Jason Harris	404,385	158,454	1,466	(48,328)	487	(86,076)	13,199	441,634
Sue Houghton	273,027	138,245	1,280	(46,121)	466	–	11,245	376,396
Amanda Hughes	102,123	76,777	713	(9,340)	94	–	5,221	174,781
Fiona Larnach	194,476	80,307	742	(8,603)	86	–	8,203	274,383
Inder Singh	440,562	176,638	1,634	(84,513)	851	(65,360)	14,395	481,722
Julie Wood	128,985	–	–	–	–	–	1,215	130,200
Former executive KMP								
Sam Harrison	345,619	154,161	1,426	(60,110)	604	(448,982)	9,312	–
Todd Jones	631,762	199,088	1,836	(58,783)	594	(371,650)	13,446	413,863

- 1 Amounts for Peter Burton and Julie Wood reflect their respective holdings at the date they became executive KMP. Their commencement dates are shown on pages 48 and 49.
- 2 The value at grant date is calculated in accordance with AASB 2 *Share-based Payment*.
- 3 Amounts for Jason Harris, Inder Singh and Todd Jones reflect lapsed incentives related to the 2020 LTI award and related notional dividends, details on page 46. Amounts also include awards forfeited by former executive KMP, Sam Harrison and Todd Jones, following the cessation of their employment in accordance with the treatment described on page 56.
- 4 For former executive KMP Sam Harrison and Todd Jones, this represents the balance of conditional rights immediately after 28 April 2023 and 31 August 2023 respectively, being the dates they ceased to be executive KMP.

Remuneration Report *continued***3. EXECUTIVE KMP REMUNERATION TABLES****3.4 Valuation of conditional rights outstanding at 31 December 2023**

The table below details the conditional rights issued affecting remuneration of executives in the previous, current or future reporting periods:

2023	GRANT	GRANT DATE ¹	PERFORMANCE PERIOD START DATE	VESTING/ EXERCISE DATE ²	CONDITIONAL RIGHTS AT 31 DECEMBER 2023 NUMBER ³	MAXIMUM VALUE OF AWARD TO VEST A\$000 ⁴	FAIR VALUE PER CONDITIONAL RIGHT A\$ ^{5,6,7}		
							GROUP CASH ROE	TSR	TIME
Andrew Horton	Special	1 Sep 2021	1 Sep 2021	2024-2025	177,216	2,112	–	–	11.92
	2021 STI	28 Feb 2022	1 Jan 2021	26 Feb 2024	23,000	275	–	–	11.94
	2022 LTI	5 May 2022	1 Jan 2022	2025-2027	318,453	3,482	12.13	8.14	–
	2022 API	27 Feb 2023	1 Jan 2022	2024-2027	90,956	1,366	–	–	15.02
	2023 LTI	12 May 2023	1 Jan 2023	2026-2028	259,488	3,588	15.26	10.48	–
Peter Burton	2019 EIP	24 Feb 2020	1 Jan 2019	23 Feb 2024	3,213	48	–	–	14.91
	2020 EIP	26 Feb 2021	1 Jan 2020	2024-2025	8,936	83	–	–	9.30
	2021 EIP	28 Feb 2022	1 Jan 2021	2024-2026	17,816	213	–	–	11.94
	2022 LTI	28 Feb 2022	1 Jan 2022	2025-2027	25,100	264	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2024-2027	29,556	444	–	–	15.02
	2023 LTI	2023	1 Jan 2023	2026-2028	39,900	540	14.92	10.32	–
	QShare	2023	2023	2026	60	1	–	–	12.74
Jason Harris	2020 LTI	1 Oct 2020	1 Jan 2020	2024-2025	12,414	32	–	2.54	–
	2021 LTI	26 Feb 2021	1 Jan 2021	2024-2026	132,181	959	9.30	5.21	–
	2021 STI	28 Feb 2022	1 Jan 2021	26 Feb 2024	27,070	323	–	–	11.94
	2022 LTI	28 Feb 2022	1 Jan 2022	2025-2027	106,637	1,120	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2024-2027	37,361	561	–	–	15.02
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	125,911	1,714	15.02	10.32	–
	QShare	2023	2023	2026	60	1	–	–	12.74
Sue Houghton	2021 LTI	3 Aug 2021	1 Jan 2021	2024-2026	97,891	856	10.89	6.61	–
	Special	3 Aug 2021	3 Aug 2021	1 Mar 2024	39,155	426	–	–	10.89
	2021 STI	28 Feb 2022	1 Jan 2021	26 Feb 2024	8,386	100	–	–	11.94
	2022 LTI	28 Feb 2022	1 Jan 2022	2025-2027	88,464	929	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2024-2027	34,322	516	–	–	15.02
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	108,120	1,472	15.02	10.32	–
QShare	2023	2023	2026	58	1	–	–	12.80	
Amanda Hughes	2020 EIP	26 Feb 2021	1 Jan 2020	2024-2025	3,654	34	–	–	9.30
	2021 EIP	28 Feb 2022	1 Jan 2021	2024-2026	20,131	240	–	–	11.94
	2021 STI	28 Feb 2022	1 Jan 2021	26 Feb 2024	1,092	13	–	–	11.94
	2022 LTI	28 Feb 2022	1 Jan 2022	2025-2027	70,765	743	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2024-2027	21,418	322	–	–	15.02
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	57,663	785	15.02	10.32	–
	QShare	2023	2023	2026	58	1	–	–	12.80
Fiona Larnach	2021 LTI	26 Feb 2021	1 Jan 2021	2024-2026	103,117	748	9.30	5.21	–
	2021 STI	28 Feb 2022	1 Jan 2021	26 Feb 2024	8,869	106	–	–	11.94
	2022 LTI	28 Feb 2022	1 Jan 2022	2025-2027	79,615	836	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2024-2027	17,851	268	–	–	15.02
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	64,873	883	15.02	10.32	–
	QShare	2023	2023	2026	58	1	–	–	12.80
Inder Singh	2020 LTI	24 Feb 2020	1 Jan 2020	2024-2025	9,426	97	–	10.31	–
	2021 LTI	26 Feb 2021	1 Jan 2021	2024-2026	148,947	1,081	9.30	5.21	–
	2021 STI	28 Feb 2022	1 Jan 2021	26 Feb 2024	26,273	314	–	–	11.94
	2022 LTI	28 Feb 2022	1 Jan 2022	2025-2027	114,997	1,208	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2024-2027	41,464	623	–	–	15.02
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	140,557	1,913	15.02	10.32	–
	QShare	2023	2023	2026	58	1	–	–	12.80
Julie Wood	Special	30 Jan 2023	30 Jan 2023	2024-2026	63,986	873	–	–	13.65
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	66,214	901	15.02	10.32	–

2023	GRANT	GRANT DATE ¹	PERFORMANCE PERIOD START DATE	VESTING/ EXERCISE DATE ²	CONDITIONAL RIGHTS AT 31 DECEMBER 2023 NUMBER ³	MAXIMUM VALUE OF AWARD TO VEST A\$000 ⁴	FAIR VALUE PER CONDITIONAL RIGHT A\$ ^{5,6,7}		
							GROUP CASH ROE	TSR	TIME
Former executive KMP									
Sam Harrison	2019 EIP	24 Feb 2020	1 Jan 2019	23 Feb 2024	9,495	142	–	–	14.91
	2020 EIP	26 Feb 2021	1 Jan 2020	2024-2025	26,740	249	–	–	9.30
	2021 LTI	26 Feb 2021	1 Jan 2021	2024-2026	126,917	921	9.30	5.21	–
	2021 EIP	28 Feb 2022	1 Jan 2021	2024-2026	9,201	110	–	–	11.94
	2021 STI	28 Feb 2022	1 Jan 2021	26 Feb 2024	16,812	201	–	–	11.94
	2022 LTI	28 Feb 2022	1 Jan 2022	2025-2027	102,393	1,075	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2024-2027	36,524	549	–	–	15.02
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	120,900	1,645	15.02	10.32	–
Todd Jones	2020 LTI	24 Feb 2020	1 Jan 2020	2024-2025	19,640	202	–	10.31	–
	2021 LTI	26 Feb 2021	1 Jan 2021	2024-2026	219,075	1,589	9.30	5.21	–
	2021 STI	28 Feb 2022	1 Jan 2021	26 Feb 2024	19,692	235	–	–	11.94
	2022 LTI	28 Feb 2022	1 Jan 2022	2025-2027	186,351	1,957	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2024-2027	40,365	606	–	–	15.02
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	162,941	2,218	15.02	10.32	–

1 Shareholders approved the grant of 2023 LTI for Andrew Horton at the Annual General Meeting on 12 May 2023. Peter Burton's 2023 LTI comprised of two awards with grant dates of 27 February 2023 and 4 September 2023 respectively. The QShare matching conditional rights were granted on 11 August 2023 and 11 December 2023.

2 The expiry date for awards is equivalent to the vesting/exercise date.

3 Includes original grant of conditional rights and notional dividends.

For the 2020 LTI award, the number of conditional rights shown reflect the extent to which the ASX 50 peer group relative TSR performance condition was achieved. The Group cash ROE and global relative TSR peer group tranches both lapsed in full, details on page 46.

For the 2021 LTI award, the number of conditional rights reflects an equal proportion of Group cash ROE and combined relative TSR performance conditions.

For the 2022 and 2023 LTI awards, the number of conditional rights reflects a proportion of 70% Group cash ROE and 30% relative TSR performance conditions.

For former executive KMP Sam Harrison and Todd Jones, this represents the balance of conditional rights immediately prior to the date they ceased as executive KMP.

4 The maximum value to vest represents the fair value at grant date for all unvested conditional rights. The minimum amount executive KMP may receive will be zero if awards do not vest for any reason.

5 The fair value of conditional rights at grant date is determined using appropriate models including Monte Carlo simulations and the Black-Scholes model, depending on the vesting conditions. The fair value of each conditional right is recognised evenly over the service period ending at vesting date.

For the 2020 LTI award, the relative TSR fair value at grant date reflects the ASX 50 peer group, the only portion left to vest.

For the 2021 LTI award granted on 26 February 2021, the relative TSR fair value reflects the weighted average fair value of the ASX 50 peer group of A\$5.33 and global peer group of A\$5.09. For the 2021 LTI award granted on 3 August 2021, the relative TSR fair value reflects the weighted average fair value of the ASX 50 peer group of A\$6.77 and global peer group of A\$6.44.

6 The fair value of Peter Burton's 2023 LTI is the weighted average of the two awards on 27 February 2023 and 4 September 2023 respectively: the Group cash ROE fair value represents the weighted average of A\$15.02 and A\$14.82 at the two grant dates, and the relative TSR fair value comprises the weighted average of A\$10.32 and A\$10.31 at the two grant dates.

7 The fair value of QShare matching conditional rights is the weighted average of two awards granted on 11 August 2023 and 11 December 2023 being A\$13.30 and A\$12.57 respectively, and may vary by executive KMP based on the number of shares purchased in the period.

Remuneration Report continued

4. NON-EXECUTIVE DIRECTOR REMUNERATION

The following section contains information on the approach to non-executive director remuneration, their fees, other benefits and shareholdings.

Remuneration philosophy

Non-executive director remuneration reflects QBE's desire to attract, motivate and retain experienced independent directors and to ensure their active participation in the Group's affairs for the purpose of corporate governance, regulatory compliance and other matters.

QBE aims to provide a level of remuneration for non-executive directors comparable with that of its peers, which include international financial institutions. The Board reviews surveys published by independent remuneration consultants and other public information to ensure that fee levels are appropriate. The remuneration arrangements of non-executive directors are distinct and separate from those of the executive KMP.

Fee structure and components

The aggregate amount approved by shareholders at the Annual General Meeting on 5 May 2022 was A\$4,750,000 per annum. The total amount paid to non-executive directors in 2023 was A\$3,133,676 (2022 A\$3,387,953).

Under the current fee framework, non-executive directors receive a base fee expressed in Australian dollars. In addition, a non-executive director (other than the Chair) may receive further fees for chairing or membership of a Board Committee.

During 2023, we reviewed the structure and level of non-executive director fees to ensure they remain competitive in the international market in which we operate and are commensurate with their workload. As a result, Board fees have been adjusted upwards by 3% with effect from 1 January 2024, the first Board fee adjustment since 2015. Committee fees were not adjusted.

The non-executive director fee structure for 2024 (with comparisons reflected for 2023) is shown in the table below:

BOARD/COMMITTEE	ROLE	2024 A\$	2023 A\$
Board	Chair	683,000	663,000
	Deputy chair	236,000	229,000
	Member	215,000	208,000
Committee	Chair	50,000	50,000
	Member	27,000	27,000

Other benefits

Non-executive directors do not receive any performance-based remuneration such as cash incentives or equity awards. Under QBE's Constitution, non-executive directors are entitled to be reimbursed for all travel and related expenses properly incurred in connection with the business of QBE. All non-executive directors are eligible to receive an annual cash travel allowance of A\$42,750 (A\$64,000 for the Chair), in addition to fees for the time involved in travelling to Board meetings and other Board commitments. This policy has remained unchanged since 2015, with the exception of the travel allowance being paused during COVID-19.

Superannuation

QBE pays superannuation to Australian-based non-executive directors in accordance with Australian superannuation guarantee (SG) legislation. Overseas-based non-executive directors receive the cash equivalent amount in addition to their fees. From 1 July 2023, the SG contribution increased by 0.5% to 11%. This change is reflected in table 4.1.

Since 1 January 2020, Australian-based directors may elect to opt out of superannuation contributions as long as they are still receiving contributions from at least one employer. In such cases, a superannuation allowance is paid in lieu of actual contributions.

4.1 Remuneration details for non-executive directors

The table below details the nature and amount of each component of the remuneration of QBE's non-executive directors. Remuneration has been converted to US dollars using the average rate of exchange for the relevant year.

NON-EXECUTIVE DIRECTOR	YEAR	SHORT-TERM EMPLOYMENT BENEFITS		POST-EMPLOYMENT BENEFITS		TOTAL US\$000
		FEES ¹ US\$000	OTHER US\$000	SUPERANNUATION - SG ² US\$000	SUPERANNUATION - OTHER ² US\$000	
Michael Wilkins	2023	483	–	17	34	534
	2022	504	–	17	35	556
Yasmin Allen	2023	202	–	–	22	224
	2022	106	–	4	7	117
Stephen Ferguson ³	2023	34	–	4	–	38
Tan Le	2023	221	3	–	–	224
	2022	231	2	–	–	233
Kathryn Lisson	2023	224	2	–	–	226
	2022	239	2	–	–	241
Sir Brian Pomeroy	2023	224	2	–	–	226
	2022	240	2	–	–	242
Jann Skinner	2023	218	–	9	14	241
	2022	234	–	4	20	258
Eric Smith ⁴	2023	44	4	–	–	48
	2022	233	–	–	–	233
Rolf Tolle	2023	241	2	–	–	243
	2022	258	4	–	–	262
Peter Wilson ³	2023	74	1	–	–	75
Total	2023	1,965	14	30	70	2,079
	2022	2,045	10	25	62	2,142

1 Fees include travel allowances and additional fees in lieu of superannuation in Australia. Tan Le, Kathryn Lisson, Sir Brian Pomeroy, Eric Smith, Rolf Tolle and Peter Wilson received additional fees of 10.5% in lieu of superannuation in Australia from 1 January 2023 to 30 June 2023, and 11.0% from 1 July 2023 to 31 December 2023.

Fees also include amounts sacrificed in relation to the Director Share Acquisition Plan (DSAP). During 2023, Michael Wilkins, Stephen Ferguson, Tan Le, Kathryn Lisson, Sir Brian Pomeroy, Eric Smith, Rolf Tolle and Peter Wilson elected to sacrifice a portion of their director pre-tax base fees to acquire QBE shares to meet their MSR over the required period. The amounts are included in the fees approved by shareholders and form part of the A\$3,133,676 on page 62. Where applicable, the increase in their shareholdings in 2023 reflected in table 4.2 was mainly as a result of their participation in the DSAP.

2 Michael Wilkins, Yasmin Allen, Stephen Ferguson and Jann Skinner are Australian residents. Superannuation is calculated as 10.5% of fees, up to 30 June 2023 and increased by 0.5% to 11.0% through to 31 December 2023. Superannuation in excess of the statutory minimum may be taken as additional cash fees or in the form of superannuation contributions at the option of the director. For all or part of 2023, Yasmin Allen and Jann Skinner elected to opt out of superannuation contributions and a superannuation allowance was paid in lieu of superannuation contributions.

3 Stephen Ferguson commenced in role on 1 November 2023 and Peter Wilson commenced in role on 1 September 2023.

4 Eric Smith retired on 10 March 2023.

Minimum shareholding requirement

With effect from 1 April 2014, a non-executive director MSR was introduced for the Board. Under this requirement, non-executive directors have five years to build a minimum shareholding equal to 100% of annual base fees.

To assist current and new non-executive directors in meeting the requirement, the DSAP was established with effect from 1 June 2014. The DSAP allows non-executive directors to sacrifice a portion of their director pre-tax base fees to acquire QBE shares. Shares acquired in this way are not subject to performance targets, as they are acquired in place of cash payments. Non-executive directors' shareholdings are shown overleaf.

All non-executive directors have met the MSR as at 31 December 2023, or are within the five-year period to achieve the MSR.

Remuneration Report continued**4. NON-EXECUTIVE DIRECTOR REMUNERATION****4.2 Non-executive director shareholdings**

The table below details movements during the year in the number of ordinary shares in QBE held by the non-executive directors, including their personally-related parties:

2023	POSITION	TERM AS KMP	INTEREST IN SHARES AT 1 JANUARY 2023 NUMBER¹	CHANGES DURING THE YEAR NUMBER	INTEREST IN SHARES AT 31 DECEMBER 2023 NUMBER²
Michael Wilkins	Chair	Full year	83,783	8,776	92,559
Yasmin Allen	Director	Full year	18,333	–	18,333
Stephen Ferguson	Director	Part year from 1 November 2023	–	–	–
Tan Le	Director	Full year	8,753	3,740	12,493
Kathryn Lisson	Director	Full year	49,010	3,790	52,800
Sir Brian Pomeroy	Director	Full year	42,425	3,790	46,215
Jann Skinner	Director	Full year	70,000	–	70,000
Eric Smith	Director	Part year to 10 March 2023	8,767	1,910	10,677
Rolf Tolle	Director	Full year	73,806	5,354	79,160
Peter Wilson	Director	Part year from 1 September 2023	–	–	–

1 The interest in shares for Stephen Ferguson and Peter Wilson represent their balances at their respective commencement dates of 1 November 2023 and 1 September 2023.

2 The interest in shares for Eric Smith represents the balance at the date he retired as non-executive director on 10 March 2023.

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2023

Auditor

PricewaterhouseCoopers, Chartered Accountants, continues in office in accordance with section 327B of the *Corporations Act 2001*.

Non-audit services

During the year, PricewaterhouseCoopers performed certain other services in addition to statutory duties.

The Board, on the advice of the Audit Committee, has considered the position and is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are also satisfied that the provision of non-audit services by the auditor, as set out in note 8.8 to the financial statements, did not compromise the auditor independence requirements of the *Corporations Act 2001*.

A copy of the auditor's independence declaration required under section 307C of the *Corporations Act 2001* is set out on [page 66](#).

Details of amounts paid or payable to PricewaterhouseCoopers for audit and non-audit services are provided in note 8.8 to the financial statements.

Rounding of amounts

The Company is of a kind referred to in the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Amounts have been rounded off in the Directors' Report to the nearest million dollars or, in certain cases, to the nearest thousand dollars in accordance with that instrument.

Signed in SYDNEY this 16th day of February 2024 in accordance with a resolution of the directors.

Michael Wilkins AO
Director

Andrew Horton
Director