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| Company | QBE Insurance Group |
| Code | QBE |
| Meeting | AGM |
| Date | 5 May 2021 |
| Venue | Hybrid: Wesley Centre Pitt St Sydney |
| Monitor | Ian Graves assisted by Sue Howes |

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| Number attendees at meeting | 64 shareholders includes both physically present at meeting and online. <i>ASA has not been advised of breakdown of number of Proxy or Visitors numbers.</i> |
| Number of holdings represented by ASA | 223 |
| Value of proxies | \$9.833 m |
| Number of shares represented by ASA | 943,700 |
| Market capitalisation | \$15.9 |
| Were proxies voted? | Yes, on a poll |
| Pre AGM-Meeting | Yes, with Chair Mike Wilkins, Janette O'Neill, Head of sustainability, Carolyn Scobie, Company Secretary, Tony Jackson, Investor Relations and Amanda Hughes, Group Head of Culture, Performance & Reward |

Different goalposts

The Chair provided a review of performance and an update of the Q1'21 results. Gross written premium increased 28% compared with Q1'20, supported by premium rate increases of 8.9%. However, extreme weather events continue to impact such that net catastrophe cost for Q1'21 was around \$260m, compared with an allowance of \$180m and Q1'20 result of \$230m (13% increase), indicating a continuation and likely escalation of unprofitability.

ASA questioned the practice of the company removing large claims when calculating the attritional claims ratio, a measure the company uses to determine performance and that also feeds into KPI's used for determining STI payments. The company also removes unprofitable blocks of business from other calculations involved in determining STI and LTI, dulling the alignment between shareholder results and executive remuneration. The Chair indicated that this calculation would remain as is.

ASA also questioned whether the high executive turnover (200% in five years), with the dismissal of the CEO and issues around the credibility of another short-term executive, were due to cultural or hiring issues. The Chair has indicated it was neither, just a series of individual circumstances changing.

ASA were also disappointed with the clearly coached and formulaic director presentations that regurgitated biographical fact instead of giving a clear indication of the benefits brought to the good governance of the company or determination to improve results. Given the long-term tenure of those standing for re-election and the extensive and likely continuing poor results, this was felt to be far short of the standard we would expect. It was also disappointing that these directors could not be individually questioned regarding their performance and re-election.

Another disappointment was the persistent and repetitive questioning by climate activists in the face of answers having been provided and the company having extensive and highly rated ESG and sustainability policies and disclosure.

All in all, the company seems to rate itself as performing well despite consistent losses, reduced dividends, negative TSR's and high senior turnover, leading us to believe that the goalposts need to be re-aligned.

The Business of the meeting was not conducted in the traditional manner, with questions taken on all matters prior to the voting, rather than the established format of questions being taken with the item of business being considered. ASA considers that this detracts from proper consideration of the items under consideration and from the conduct of the meeting. ASA requests that QBE revert to the previous practice.

As indicated in the Voting intentions ASA voted against Item (2) Remuneration Report and Resolutions 3(a),3(b),3(c) for the re-election of directors. ASA's views were not shared by the majority of shareholders with these resolutions being passed comfortably. Resolutions 4(a) to amend the constitution was soundly defeated as was 4(b) to Publish exposure reduction targets.