

**QBE Insurance Group Limited** ABN 28 008 485 014  
Level 27, 8 Chifley Square, SYDNEY NSW 2000 Australia  
GPO Box 82, Sydney NSW 2001  
telephone + 612 9375 4444 • facsimile + 612 9231 6104

[www.qbe.com](http://www.qbe.com)



24 September 2014

The Manager  
Market Announcements Office  
ASX Limited  
Level 4  
Exchange Centre  
20 Bridge Street,  
SYDNEY NSW 2000

Dear Sir/Madam,

**CHANGES TO QBE BOARD OF DIRECTORS**

Please find attached an announcement for release to the market.

Yours faithfully

A handwritten signature in blue ink, appearing to be "P Horton", written over a light blue circular stamp.

Peter Horton  
**Company Secretary**



## MARKET RELEASE

24 September 2014

### CHANGES TO QBE BOARD OF DIRECTORS

QBE Insurance Group Limited (QBE) today announced the appointment of Ms Jann Skinner and Mr Stephen Fitzgerald as Non-Executive Directors effective 1 October 2014 and the retirement of Non-Executive Directors Ms Isabel Hudson and Mr Duncan Boyle, effective 31 December 2014.

An additional appointment announced today will see Pat Regan, who joined QBE in the role of Group Chief Financial Officer in June 2014, join the Board as an Executive Director effective 1 October 2014.

QBE's Chairman, Mr Marty Becker advised that the retirements and appointments were a continuing part of the planned Board succession process undertaken over the past two years and provide a suitable transition period for the incoming Directors to benefit from the experience of long serving Directors Ms Hudson and Mr Boyle.

Mr Becker said "We are very fortunate that such high calibre people as Jann and Stephen have chosen to join the QBE Board as Non-Executive Directors. Financial leadership is critically important to QBE's strategies and success, and we are also pleased that Pat has accepted our invitation to join the Board."

"Jann, with her strong experience as an audit partner and as a Director and Chair of the Audit Committee for our Australian subsidiaries and other companies, will add considerably to our Audit Committee as Deputy Chair of that committee."

"Stephen's long and successful asset management career and his directorship of the Australian Future Fund make him ideally suited to Chair our Investment Committee."

"Pat was an Executive Director and Chief Financial Officer at Aviva plc prior to joining QBE. We look forward to the contribution that he will make to the QBE Board, in addition to his executive responsibilities, as we continue our journey in establishing QBE as a leading global insurer and reinsurer."

Ms Skinner is based in Australia and is currently a Non-executive Director of QBE's Australian APRA regulated insurance companies (QBE Australia) and is also Chair of the Audit Committee and Risk and Capital Committee of QBE Australia.

Ms Skinner has extensive experience in audit and accounting and in the insurance industry, having had a long career with PricewaterhouseCoopers (PwC) (1975 – 2004). She is also a Director of Enstar Australia Group, Tasmanian Public Finance Corporation and the Create Foundation Limited.

Mr Fitzgerald is an Australian currently residing in the UK. He has had a long career with Goldman Sachs (1992 – 2012) filling a number of leadership roles in London,

Tokyo, Hong Kong and Australia and was Chairman of Goldman Sachs Australia when he retired in 2012. He is a member of the Board of Guardians of the Australian Future Fund and sits on the ASIC External Advisory Panel, the Great Barrier Reef Foundation, the National Centre of Indigenous Excellence and is Deputy Chairman of the New York based Pinebridge Investments.

Mr Becker paid tribute to Ms Hudson's and Mr Boyle's long term contribution made during a period of significant growth and transformation for the Company. He mentioned:

"Duncan joined the Board in 2006. He has made particular contributions in areas such as financial management, governance and people strategy, chairing the Company's Audit Committee for 4 years and being a member of the Remuneration Committee."

"Isabel joined the Board in 2005. She has made particular contributions in areas such as people strategy and remuneration and governance, chairing the Company's Remuneration Committee during the period when the remuneration structure for the company was under significant change and being a member of the Audit Committee."

Mr Becker said "With these changes we are continuing to build on our depth of insurance and reinsurance expertise at the Board level. This in turn allows us to continue to work closely with our executive team on the development and execution of the strategy for QBE globally."

Mr Regan's key employment terms are attached.

For further information, please contact:

**Investor Relations**

Group Head of Investor Relations  
Tony Jackson  
Tel: +61 (2) 9375 4364  
[investor.relations@qbe.com](mailto:investor.relations@qbe.com)

**QBE Insurance Group Limited**

ABN 28 008 485 014  
8 Chifley Square  
SYDNEY NSW 2000  
Australia  
[www.qbe.com](http://www.qbe.com)

**Media Enquiries**

David Symons  
Tel: +61 (2) 8306 4244  
Cell: +61 (0) 410 559 184  
Email: [david@catocounsel.com.au](mailto:david@catocounsel.com.au)

QBE Insurance Group Limited is listed on the Australian Securities Exchange, is recognised as one of the top 20 global insurance and reinsurance companies as measured by net earned premium and has operations in 43 countries.

## **APPENDIX 1**

### **QBE Insurance Group Limited**

#### **Summary of key terms and conditions of employment of Mr Patrick (Pat) Regan**

##### **1. Appointment**

Appointed as the Group Chief Financial Officer effective 2 June 2014. Mr Regan will join the QBE Insurance Group Limited Board of Directors on 1 October 2014.

##### **2. Term**

This is a permanent full-time appointment with no fixed term. Ongoing employment is subject to the termination provisions of Mr Regan's employment agreement and conditions of his 457 visa.

##### **3. Remuneration**

Mr Regan's remuneration will be as follows:

###### **i. Fixed Remuneration**

- (a) Base salary of A\$1,550,000 per annum inclusive of cash salary, salary sacrifice benefits and any associated fringe benefit tax. This will be reviewed annually by the Group Board Remuneration Committee using market data provided by external independent consultants;
- (b) QBE shall meet the cost of insurance on Death, Total and Permanent Disablement and Salary Continuance.

###### **ii. At-Risk Reward**

###### Short-term Incentive (STI)

Discretionary annual incentive under the terms of the STI Plan for meeting Group key business drivers and individual performance objectives. The target award is 110% of base salary (with a maximum of 165% of base salary).

Any STI awarded under the plan will be delivered in two parts: 67% in cash and 33% in conditional rights vesting over two years.

###### Long-term Incentive (LTI)

An annual LTI award with a maximum value of 150% of base salary in the form of conditional rights. Vesting of the LTI is subject to two performance conditions; Group return on equity and relative total shareholder return.

LTI grants made to Mr Regan while he is an Executive Director will be subject to shareholder approval.

Further details on QBE's at-risk rewards are available in the 2013 Annual Report.

### **iii. Additional Payments**

The following payments were made to Mr Regan to compensate him for incentives forfeited on ceasing employment with his previous employer to join QBE. The approach taken in determining the value of these payments was to apply a discount of 36% to the A\$13.3m face-value of forfeited incentives from Mr Regan's previous employment with Aviva Plc to take into account the likelihood of the incentives vesting. The form and vesting schedule of the additional payments is also consistent with the forfeited incentives and will operate as follows:

- (a) Mr Regan received a cash payment of A\$1,350,000 on commencement with QBE. Mr Regan was also entitled to a second cash payment of A\$1,350,000 however he requested to salary sacrifice this payment to purchase 118,960 QBE shares on 20 August 2014;
- (b) Mr Regan was granted 516,474 conditional rights to QBE shares with face-value of A\$5,800,000 on 20 August 2014. Vesting of these conditional rights are subject to service conditions with 50% of the award vesting on 1 March 2015; 25% of the award on 1 March 2016; and 25% of the award on 1 March 2017.

### **iv. Relocation assistance**

Reasonable costs associated with Mr Regan's relocation to Sydney will be met by QBE in accordance with QBE's relocation policy.

## **4. Termination**

Mr Regan may resign at any time on giving six months' notice and QBE may terminate Mr Regan's employment on six months' notice. QBE will pay all remuneration due to Mr Regan during the notice period and any statutory entitlements owing to Mr Regan on termination of his employment.

STI and LTI awards on termination are subject to the respective plan rules.

If Mr Regan resigns or his employment is terminated on grounds justifying summary dismissal, only accrued fixed remuneration and statutory entitlements will be paid.

Payments and benefits will be subject to any shareholder approvals that may be required by law.

## **5. Post-employment restrictions**

Mr Regan is subject to non-compete and non-solicitation restrictions for a period of six months following termination