

8 May 2018

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

Dear Sir/Madam

QBE GROUP LIMITED EMPLOYEE EQUITY GRANTS

In accordance with Listing Rule 3.10.3, we advise of the Grants of Conditional Rights under the QBE Insurance Group Limited (QBE) Short Term Incentive (STI) Plan and QBE Executive Incentive Plan (EIP).

Grant of Conditional Rights under the QBE STI and EIP Plans

1. Class of securities

Conditional Rights in respect of QBE shares.

A Conditional Right is a contractual promise by QBE to acquire one fully paid ordinary QBE Share (or, at the discretion of the Remuneration Committee, the equivalent Market Value in cash), where certain conditions are met.

2. Number of Securities

We note the following Grant of Conditional Rights and the allocation of Notional Dividends:

- grant of 122,537 Conditional Rights to Pat Regan on 7 May 2018;
- allocation of 504 Notional Dividends to Pat Regan on 7 May 2018;
- grant of 3,066,415 Conditional Rights on 6 April 2018; and
- allocation of 12,563 Notional Dividends on 20 April 2018.

3. Principal terms of the Conditional Rights Grant

The following is a summary of the principal terms of the Conditional Rights Grants.

Each STI Grant is divided into two equal tranches which have the following Vesting Dates:

- First vesting date (Tranche 1): 4 March 2019
- Second vesting date (Tranche 2): 4 March 2020

Each EIP Grant is divided into four equal tranches which have the following Vesting Dates:

- First vesting date (Tranche 1): 4 March 2019
- Second vesting date (Tranche 2): 4 March 2020
- Third vesting date (Tranche 3): 4 March 2021
- Fourth vesting date (Tranche 4): 4 March 2022

Conditional Rights held by a participant will vest on the relevant vesting date unless:

- The participant ceases employment for Cause, resignation or poor performance;
- The Remuneration Committee applies malus in accordance with the STI or EIP Plan Rules.

Subject to satisfaction of the vesting conditions under the STI and EIP Plan Rules, the Board has determined that a Conditional Right does not require exercise and that upon vesting, participants will automatically become entitled to receive QBE Shares on the applicable vesting date.

4. Issue Price

No consideration is payable on the grant of the Conditional Rights or, following vesting, on the delivery of the QBE Shares.

5. Purpose of the Issue

Remuneration of staff.

6. Shareholder Approval

Shareholder approval is not required for the purpose of the Grants. The Grants to Executive Directors will be made in reliance of Listing Rule 10.15B and any QBE Shares delivered on vesting are required to be purchased on market.

Yours sincerely



Carolyn Scobie
Group General Counsel & Company Secretary