

# QBE Insurance Group Limited

## Continuous Disclosure Policy

February 2015

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## 1 Scope

This Policy applies to all directors and employees of QBE, in relation to all information of which they become aware in the course of their duties.

## 2 Purpose

The purpose of this Policy is to:

- (a) assist QBE to comply with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act;
- (b) establish a framework to enable QBE to provide the market with timely, direct and equal access to relevant information about QBE; and
- (c) promote investor confidence in the integrity of QBE and its securities through the application of disciplined disclosure procedures by its directors and employees.

## 3 Definitions

In this Policy:

**Audit Committee** means the Group Audit Committee of the Board.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Board** means the board of directors of QBE.

**CEO** means the Chief Executive Officer of QBE.

**CFO** means the Group Chief Financial Officer of QBE.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Disclosable Information** means Market Sensitive Information that is not exempted from disclosure and has not previously been disclosed by QBE to ASX.

**Disclosure Committee** means the committee comprising the CEO, the CFO and the Group General Counsel and Company Secretary, or any of them as permitted under this Policy.

**Disclosure Officer** means the Group General Counsel and Company Secretary.

**Market Sensitive Information** means information that a reasonable person would expect to have a material effect on the price or value of QBE's securities as that information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of QBE's securities.

**QBE** means QBE Insurance Group Limited and as appropriate its Related Bodies Corporate.

**Related Body Corporate** is as defined in the Corporations Act.

## 4 Policy principles

### 4.1 Key disclosure principles

- (a) As soon as QBE becomes aware of any Market Sensitive Information, it must notify the market via an announcement to ASX unless exempted from doing so by the ASX Listing Rules. All releases of Market Sensitive Information must first be made through ASX before disclosure to any external party.

- (b) All directors and employees of QBE must notify a member of the Disclosure Committee as soon as they become aware of information that may be Market Sensitive Information which has not been previously released to ASX by QBE.
- (c) Each director and employee of QBE who possesses confidential information that may be Market Sensitive Information must protect and preserve the confidentiality of that information unless and until it is disclosed in accordance with this Policy.

#### **4.2 Overview of legal requirements and best practice**

QBE is a public company listed on ASX. It is subject to continuous disclosure requirements under the ASX Listing Rules (which are given legislative force under section 674 of the Corporations Act), in addition to periodic and specific disclosure requirements. In addition to these legal requirements, there are a number of guidelines and recommendations published by various bodies (including, in particular, ASX Guidance Note 8) which, though not necessarily mandatory, set out various views in relation to best practice in the area of continuous disclosure and which QBE takes into account.

#### **4.3 The disclosure requirement**

The primary continuous disclosure obligation is contained in ASX Listing Rule 3.1, which states that:

Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information.

For the purpose of this obligation, 'immediately' means 'promptly and without delay'. It is therefore important that the process set out in section 2 of Schedule 4 is progressed as quickly as possible in the circumstances.

In particular, it is critical that all directors and employees of QBE notify a member of the Disclosure Committee as soon as they become aware of information that may be Market Sensitive Information which has not been previously released to ASX by QBE. This is because QBE is considered to be 'aware' of information for the purposes of its continuous disclosure obligation if a director or officer (including a 'senior manager') of QBE has, or ought reasonably to have, come into possession of information in the course of the performance of their duties as a director or officer of QBE (see section 6 of Schedule 1 for further discussion of the concept of awareness).

In this context, 'information' includes not only pure matters of fact, but also matters of opinion and intention. It can therefore include matters that are not purely factual, such as statements made by third parties or changes in expectations regarding future circumstances. Officers and employees of QBE should therefore approach the concept of 'information' broadly when considering whether any such matters of which they are aware constitute 'information' for the purposes of ASX Listing Rule 3.1.

Section 4 of Schedule 1 contains examples of the kinds of matters relevant to QBE that may give rise to Market Sensitive Information. Further discussion of the concept of Market Sensitive Information is contained in sections 2 to 5 of Schedule 1.

#### **4.4 Exception to the continuous disclosure obligation**

ASX Listing Rule 3.1A contains an exception to ASX Listing Rule 3.1 so that disclosure is not required where certain requirements are satisfied (details of this exception are set out in Schedule 2). One of the conditions to the availability of the exception is that the relevant information must be confidential (and ASX must not have formed the view that the information

has ceased to be confidential). Accordingly, all directors and employees of QBE must preserve and protect the confidentiality of any potentially Market Sensitive Information they possess.

In particular, directors and employees must:

- (a) observe QBE's 'no comments' policy and notify the Disclosure Officer as soon as possible if they are approached by the media or any external parties for information;
- (b) notify the Disclosure Officer immediately if they become aware that Market Sensitive Information not previously disclosed to ASX may have been inadvertently disclosed to an external party, or confidential QBE information may have been leaked (whatever its source); and
- (c) refrain from participating in social networking or other internet sites where the subject matter relates to the business affairs of QBE (unless authorised by a member of the Disclosure Committee to participate in such sites in accordance with this Policy).

Further details of QBE's approach to confidentiality and any loss thereof, and guidelines for communicating with and responding to external parties, are set out in section 2 of Schedule 2 and Schedule 5.

It is important to note that it is the role of the Disclosure Committee to decide whether the disclosure obligation or the exception to it applies. Individual directors and employees should therefore err on the side of caution in reporting potentially Market Sensitive Information to the Disclosure Committee, and must not refrain from reporting potentially Market Sensitive Information to the Disclosure Committee on the basis of a prejudgment as to the applicability of this exception.

## 5 Responsibilities

- (a) **All directors and employees** have a role to play to ensure that QBE achieves the objectives of this Policy. In particular, all directors and employees are responsible for:
  - (i) reading this Policy carefully and familiarising themselves with the policy and procedures it details;
  - (ii) immediately reporting to a member of the Disclosure Committee if they become aware of any information that may be Market Sensitive Information arising in their division, business unit or area of responsibility that has not been previously disclosed to ASX by QBE; and
  - (iii) preserving and protecting the confidentiality of any confidential information that may be Market Sensitive Information.
- (b) The Group General Counsel and Company Secretary has been appointed as **Disclosure Officer** and is responsible for, among other things, reporting Disclosable Information.
- (c) **Authorised Spokespersons** are the CEO, the CFO, the Head of Investor Relations, the Group Head of Communication and any other persons authorised by these officers or the Board from time to time. When communicating with external parties, Authorised Spokespersons must ensure that no Market Sensitive Information that has not previously been disclosed to ASX by QBE is disclosed in the course of the communication, by limiting the communication to information already in the public domain or that is not material (erring on the side of caution in this regard).

Further details of the procedures Authorised Spokespersons are required to follow when communicating with external parties are contained in section 3 of Schedule 3, and Schedule 5. These include procedures relating to pre-vetting by the Disclosure

Committee of all written material proposed to be used at investor or analyst briefings or in media interviews, and relating to dealings with analysts' reports.

- (d) The **Disclosure Committee** (comprising the CEO, the CFO and the Group General Counsel and Company Secretary) is responsible for the overall administration of this Policy (including ensuring compliance) and all communications with ASX.
- (e) The **Board** is responsible for approving this Policy and any amendments, monitoring the effectiveness of QBE's continuous disclosure compliance, and reviewing significant ASX announcements where appropriate.

Further details of the allocation of responsibilities for the administration and implementation of this Policy are set out in Schedule 3.

## 6 Compliance

### 6.1 Monitoring compliance

The Disclosure Committee has day-to-day responsibility for monitoring compliance with, and the effectiveness of, this Policy and the outcomes of QBE's disclosure process.

### 6.2 Non-compliance

QBE takes continuous disclosure very seriously. Non-compliance with continuous disclosure obligations may constitute a breach of the Corporations Act or the ASX Listing Rules. This may result in:

- (a) civil or criminal liability (including by way of a shareholder class action or an infringement notice issued by ASIC) for QBE;
- (b) personal civil or criminal liabilities for directors and employees who are involved in, or who aid, abet or are in any way knowingly concerned in, a contravention by QBE; and
- (c) damage to QBE's reputation.

Breaches of this Policy may result in disciplinary action against relevant employees, including dismissal in serious cases.

## 7 Review

This Policy will be regularly reviewed by the Disclosure Officer as legislative requirements change and best practice for continuous disclosure evolves. The Board will review this Policy periodically as required. Any withdrawal, amendment or replacement of this Policy must be approved by the Board.

## Schedule 1

### Immediacy, market sensitivity and awareness

#### 1 Meaning of 'immediately'

ASX Listing Rule 3.1 requires Market Sensitive Information to be released 'immediately' upon an entity becoming aware of it.

ASX's Guidance Note 8 indicates that 'immediately' means 'promptly and without delay'. ASX policy recognises that there will necessarily be a period of time between when QBE becomes aware of Market Sensitive Information (and therefore becomes obliged to give the information to ASX in order to satisfy its continuous disclosure obligation, subject to the applicability of any exception) and when QBE is able to make an announcement to ASX. Provided that QBE is progressing the process set out in section 2 of Schedule 4 as quickly as it can in the circumstances, and is not deferring, postponing or putting off disclosure to a later time, the passing of such a period of time does not, in and of itself, mean that there has been any relevant 'delay' by QBE.

#### 2 Nature of Market Sensitive Information

The ASX Listing Rules do not explain when information will be regarded as information that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of QBE's securities, and therefore constitute Market Sensitive Information.

ASX Guidance Note 8 indicates that, in ASX's view, 'influence' means more than merely 'have some effect upon', as it connotes materiality. Additionally, in ASX's view materiality should not be assessed from the perspective of traders who trade on the basis of very short term price fluctuations and without reference to the inherent value of securities or any intention to hold them for any meaningful period of time.

The test for determining materiality is an objective one. ASX has indicated that, quantitatively, the parameters it uses for determining whether or not to refer a potential breach of ASX Listing Rule 3.1 to ASIC may be a useful guide as to the order of magnitude of the likely change in price or value of QBE's securities that would be indicative of market sensitivity. In brief, those parameters are that, where information appears to ASX to have moved the market price of QBE's securities (relative to prices in the market generally or in QBE's sector) by roughly:

- (a) 10% or more, ASX will generally regard that as confirmation that the information was market sensitive;
- (b) 5% or less, ASX will generally regard that as confirmation that the information was not market sensitive; and
- (c) between 5% and 10%, ASX will consider a range of factors (including the nature and significance of the information, the market capitalisation of QBE, the beta of QBE's securities, the bid-offer spread at which QBE's securities normally trade, and whether there was a noticeable spike in trading volumes).

#### 3 Process for determining materiality

Subject to the Board's supervision, the Disclosure Committee is responsible for making decisions about information to be disclosed. Where there is doubt as to whether certain information should be disclosed, the Disclosure Committee will discuss the issue, and if necessary, seek external advice.

The Disclosure Committee may develop further guidelines for determining what may be Market Sensitive Information for separate Divisions and business units. For example, such guidelines may be in the form of quantitative ranges which are considered material having regard to QBE's business activities, size and place in the market.

#### **4 Potential examples of Market Sensitive Information**

The following provides a guide as to the type of information that may require disclosure. This is not an exhaustive list. As noted above, the determination of whether certain information is Market Sensitive Information which is subject to continuous disclosure necessarily involves the use of judgment. Subject to the Board's supervision, decisions on disclosure issues are for the Disclosure Committee to resolve.

Matters which may require disclosure under ASX Listing Rule 3.1 include:

- (a) a matter that might affect QBE's ability to carry on business, or that might have a material effect on future activity;
- (b) a matter that might have a material effect on income, cash flow or the ability to generate profits (including where there would be a long term effect even if the effect in any one year is not material);
- (c) a matter involving any proposed change in regulation or law that could materially affect QBE's business;
- (d) a matter involving a significant allegation of any breach of the law, whether civil or criminal, by QBE or any of its directors or employees;
- (e) a change in QBE's financial forecasts or expectations, or a divergence between analysts' forecasts and management's own expectations (see section 5 below);
- (f) events regarding QBE's securities or financing (e.g. under or over subscriptions to an issue of securities, or a share repurchase program, or a default or other event entitling a financier to terminate a material financing facility) (proposed capital reorganisations or securities issues must be disclosed under ASX Listing Rule 3.10);
- (g) giving or receiving a notice of intention to make a takeover (but see section 1.1 of Schedule 2);
- (h) a transaction which would lead to a significant change in the nature or scale of QBE's activities;
- (i) material mergers, acquisitions/divestments, joint ventures or changes in assets;
- (j) the grant or withdrawal of a material licence;
- (k) any rating applied by a rating agency to QBE or its securities, and any change to such a rating;
- (l) becoming a plaintiff or defendant in a material lawsuit;
- (m) natural disasters or accidents that have particular relevance to or impact on the businesses of QBE or its suppliers;
- (n) the appointment of a receiver, manager, liquidator or administrator in respect of QBE or any of its subsidiaries, or an event which could result in QBE or any of its subsidiaries becoming insolvent;
- (o) matters that may have an adverse effect on QBE's reputation; or
- (p) matters that are in some other way onerous, unusual or so outside the ordinary course of business that they ought to be considered.



## 5 Earnings variations

ASX has indicated that, all other things being equal, a listed entity is not expected to release the information contained in its half yearly or annual financial statements ahead of their scheduled release date. Sometimes, however, in the course of preparing financial statements (or indeed at any other time), Market Sensitive Information may become apparent that ought to be disclosed immediately under ASX Listing Rule 3.1. Two areas where this issue commonly arises are earnings variations and post-balance date events.

If QBE becomes aware that its earnings for a reporting period will materially differ (downwards or upwards) from market expectations (whether based on company earnings guidance, analyst estimates or earnings for the prior corresponding period), careful consideration will need to be given as to whether QBE is required by ASX Listing Rule 3.1 to notify the market of that fact.

ASX's guidance is that such variations should be disclosed where the difference is of such magnitude that a reasonable person would expect it to have a material effect on the price or value of QBE's securities (having regard to factors such as whether near term earnings are a material driver of share price, whether the difference is cash or non-cash, whether it is permanent or temporary, and whether it is recurring or a one-off).

To the extent that QBE has given specific earnings guidance, that guidance will be the most useful reference point for assessing whether a variation is material. ASX suggests that the guidance on materiality in the Australian accounting standards be applied, namely that an expected variation from published earnings guidance that is:

- (a) equal to or greater than 10% should be treated as material; and
- (b) equal to or less than 5% should be treated as not material.

QBE will assess any expected variations from published earnings guidance falling between 5% and 10% on a case-by-case basis.

Where QBE has not given specific earnings guidance, analyst forecasts will be the most useful reference point for assessing whether a variation is material. QBE's view is that generally consensus estimates will be the best indicators of analyst forecasts. However, there may be circumstances where a consensus estimate is distorted by the presence of outliers such that a consensus estimate adjusted to exclude such outliers may be a more meaningful reference point. See section 5 of Schedule 5 for further information on QBE's approach to analyst reports.

In these circumstances, there are no fixed percentage variations to consensus estimates (adjusted or otherwise) that ASX recommends in determining materiality. As such, whether disclosure will be required in the case of an expected variation will depend on a general assessment of whether the information is likely to be market sensitive, having regard to the factors set out in this Policy.

## 6 Awareness

Under ASX Listing Rule 19.12, QBE becomes aware of information if a director or officer of QBE has, or ought reasonably to have, come into possession of information in the course of the performance of their duties as a director or officer of the company.

An 'officer' of QBE includes a director, secretary or 'senior manager' as defined under the Corporations Act.

The effect of this ASX Listing Rule is that, in addition to actual knowledge of its directors and officers, QBE may be deemed to be aware of information known by any employee of QBE where the information is of such significance that it ought reasonably to have been brought to the attention of a QBE officer. In recognition of this, one of the aims of this Policy is to ensure that

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appropriate persons within QBE actually become aware of information of which a director or officer ought to have been aware, so that QBE's disclosure obligations can be met.

## Schedule 2

### Exception to disclosure

#### 1 Overview of exception

ASX Listing Rule 3.1A contains an exception to ASX Listing Rule 3.1 so that disclosure is not required where each of the following three tests is satisfied:

##### 1.1 Test 1: One or more of the following applies:

- (a) It would be a breach of a law to disclose the information.

ASX's guidance states that in order for this criterion to apply, the disclosure of the relevant information must breach a specific statute, regulation, rule, administrative order or court order binding on QBE. It is not sufficient if the information is merely subject to general law or contractual duties of confidentiality.

- (b) The information concerns an incomplete proposal or negotiation.

In the case of reliance on the information being an incomplete proposal or negotiation, if the proposal or negotiation is finalised, QBE will need to ensure that the information is disclosed immediately or arrange for a trading halt to be requested until the information can be disclosed. See section 5 of Schedule 4 regarding the use of trading halts to facilitate continuous disclosure compliance.

ASX's position is that negotiations are incomplete until they result in a legally binding agreement or until QBE is otherwise committed (for example, through a handshake or side letter) to proceeding with the transaction being negotiated. Therefore, whilst signing of the relevant agreement may be arranged for when the market is not trading, QBE may not delay disclosure by delaying signing where it has already committed to proceed with the transaction.

Similarly, ASX's guidance indicates that a proposal involving QBE (either unilaterally or involving other parties) will be incomplete unless and until QBE has adopted and is committed to proceeding with it.

Any receipt of a confidential takeover proposal, or decision to pursue or reject a takeover proposal, is therefore not generally required to be disclosed unless and until QBE is committed to such a transaction.

- (c) The information comprises matters of supposition or is insufficiently definite to warrant disclosure.

ASX's guidance on this criterion differentiates between:

- (i) situations where the likelihood of a matter occurring, or its impact if it does occur, is uncertain; and
- (ii) situations where QBE is aware of information about a known event or circumstances and is aware that the event or circumstance is market sensitive, but QBE requires time to put a figure or estimate on its financial impact.

ASX's position is that, in the latter case, QBE will need to either make an interim announcement disclosing such information (and a subsequent announcement once QBE has clarified the relevant financial impact), or request a trading halt or voluntary suspension if appropriate (see section 5 of Schedule 4).

- (d) The information is generated for internal management purposes of QBE.

- (e) The information is a trade secret.

## **1.2 Test 2: The information is confidential and ASX has not formed the view that the information has ceased to be confidential.**

The ASX Listing Rules acknowledge that QBE may give information to third parties in the ordinary course of its business and activities and continue to satisfy this requirement, provided that QBE retains control over the use and disclosure of the information. For example, the information may be given to QBE's advisers for the purposes of obtaining advice or to a party with whom QBE is negotiating for the purposes of the negotiation.

It is essential that information which is to be withheld from the market remains subject to strict confidentiality procedures and is not leaked. If the information is leaked, even in breach of an obligation of confidentiality, it is no longer confidential and must be disclosed to ASX. Even if information has not been technically leaked, ASX may consider that it is no longer confidential, in which case it must also be disclosed to ASX. Section 2 below discusses the maintenance and loss of confidentiality further.

## **1.3 Test 3: A reasonable person would not expect the information to be disclosed.**

According to ASX's guidance, this test has a very narrow field of operation and will generally be satisfied if Tests 1 and 2 are satisfied unless there is something in the surrounding circumstances sufficient to displace the general rule, such as:

- (a) if an entity were to 'cherry-pick' disclosures by disclosing positive information of a particular kind whilst withholding negative information of the same kind; or
- (b) if the information needs to be disclosed in order to prevent other information disclosed by an entity under ASX Listing Rule 3.1 from being misleading or deceptive.

QBE must disclose the relevant information in order to meet its continuous disclosure obligation as soon as any one of Tests 1, 2 or 3 is no longer satisfied. This means that the availability of the exception must be assessed by QBE on an ongoing basis in relation to any Market Sensitive Information that has not been disclosed to ASX.

## **2 Confidentiality**

### **2.1 Maintaining confidentiality**

QBE may choose not to disclose Market Sensitive Information in reliance on the exception referred to in section 1 above. It may only do so, however, where the information is kept confidential. Therefore, each QBE director and employee (as well as its advisers and consultants) who possesses Market Sensitive Information that has not been disclosed to ASX must protect and preserve the confidential nature of that information, including by:

- (a) refraining from discussing or divulging the information to any person except where that person is authorised by QBE to receive that information; and
- (b) ensuring that any material within their possession relating to that information is properly and securely stored and is not disclosed to an unauthorised person.

If an employee has any doubt as to whether a particular person is authorised to receive Market Sensitive Information, they should discuss the matter with the Disclosure Officer.

Directors and employees must also ensure that any third parties (eg the other party to a proposed acquisition) that receive or obtain Market Sensitive Information are bound by appropriate obligations of confidentiality.

## 2.2 Loss of confidentiality

Once confidentiality of information is lost, or once ASX forms the view that confidentiality has been lost and indicates that to QBE, information may need to be disclosed by QBE to ASX.

The ASX's view is that loss of confidentiality may be indicated by otherwise unexplained sudden and significant changes to the price or traded volumes of QBE's securities, by reference to information in the media or analysts' reports, or by a rumour known to be circulating in the market, in particular if the information in the media or analyst report or rumour is reasonably specific and reasonably accurate.

Accordingly, if there are price movements or changes in trading volumes, or media speculation, or any other matters that indicate that confidentiality in relation to Market Sensitive Information may have been lost, the Disclosure Committee must make an assessment as to whether the relevant information remains confidential, so that QBE can continue to rely on the exception to disclosure. In such circumstances, ASX is also likely to consult with QBE in order to form its own view about whether confidentiality has been lost.

If the Disclosure Committee makes an assessment that confidentiality has been lost, the need for a trading halt must be considered (see section 5 of Schedule 4), pending an announcement to ASX. The content of the announcement needs to be considered carefully, as the level of disclosure that ASX will expect from QBE will depend in particular on the details contained in any report or rumour. For example, if the report or rumour does not refer to specific details of a proposed transaction, ASX may expect QBE to confirm the existence of negotiations for a proposed transaction but will not necessarily require the disclosure of the details of it. Alternatively, if the report or rumour contains inaccurate details, in some circumstances a correction may be required, whilst in others a general statement regarding the inaccuracy of the report or rumour may be sufficient.

## 3 Correcting a false market

ASX Listing Rule 3.1B provides that if ASX considers that there is, or is likely to be, a false market in QBE's securities, and asks for information from QBE to correct or prevent the false market, QBE must give ASX that information. QBE is required to provide this information even if the exception to disclosure (as set out in section 1 above) applies.

ASX's guidance indicates that a 'false market' is a situation where there is material misinformation or materially incomplete information in the market which is compromising proper price discovery. This may arise in situations such as where:

- (a) a listed entity has made a false or misleading announcement;
- (b) there is other false or misleading information, including a false rumour, circulating in the market; or
- (c) a segment of the market is trading on the basis of Market Sensitive Information that is not available to the market as a whole.

In the latter two circumstances, ASX is more likely to form the view that there is or is likely to be a false market if:

- (a) there is a reasonably specific and credible rumour or media comment in relation to QBE that has not been confirmed or clarified by an announcement to the market; and
- (b) there is evidence that the rumour or comment is having, or ASX forms a view that the rumour or comment is likely to have, an impact on the price of QBE's securities.

ASX's guidance indicates that where ASX has formed the view that there is or is likely to be a false market, it may require QBE to take the following action, depending on whether the report or rumour is:

- (a) wholly accurate – issue a confirmation or more detailed announcement;
- (b) only partially accurate – issue a correction or more detailed announcement; or
- (c) wholly inaccurate – issue a denial.

## Schedule 3

### Responsibilities

#### 1 Disclosure Committee

QBE has formed a Disclosure Committee, comprising the CEO, the CFO and the Group General Counsel and Company Secretary, to assume responsibility for administering this Policy. In particular, it is responsible for ensuring that QBE is compliant with its continuous disclosure obligations.

The Disclosure Committee is responsible for:

- (a) deciding what information will be disclosed by QBE to ASX;
- (b) preparing (or overseeing the preparation of), reviewing and approving proposed external announcements, other than purely administrative announcements, and consulting with appropriate members of the Board, management and/or external advisers as necessary;
- (c) implementing reporting processes and determining divisional guidelines (financial or qualitative) for materiality of information; and
- (d) monitoring the effectiveness of this Policy and the outcomes of QBE's disclosure process, and approving amendments to this Policy for recommendation to the Board.

In performing its functions as set out in paragraphs (a) and (b), the Disclosure Committee will act through such of its members as are reasonably available to perform the relevant function (whether one, two or three members on any occasion). Accordingly, all references in this Policy to the Disclosure Committee in relation to such functions (including in sections 3 (first paragraph) and 4 of Schedule 1, section 2.2 of Schedule 2, sections 2(b), 2(c) and 2(d) of Schedule 4, and section 6 of Schedule 5) are to be interpreted as references to the relevant member or members acting in that capacity, and their action in that capacity will be considered to be the action of the Disclosure Committee for the purposes of this Policy.

#### 2 Disclosure Officer

QBE's Group General Counsel and Company Secretary has been designated as the company's Disclosure Officer for the purposes of the ASX Listing Rules and is the person responsible for communications with ASX in relation to ASX Listing Rule matters (including continuous disclosure matters).

The Disclosure Officer is responsible for:

- (a) overseeing the preparation of, and authorising, administrative lodgements under the ASX listing Rules and the Corporations Act;
- (b) all communications with ASX, including releasing approved announcements to ASX and co-ordinating the response to any ASX price query;
- (c) ensuring an announcement has been approved under this Policy before it is released to ASX;
- (d) informing appropriate persons within QBE once an announcement has been released to ASX;
- (e) reporting on continuous disclosure issues as appropriate to the Audit Committee and the Board of QBE;
- (f) keeping a record of all ASX and other announcements that QBE has made, and of all decisions, and reasons for decisions, not to make an announcement to ASX in relation to

any potentially Market Sensitive Information referred to the Disclosure Officer or any other member of the Disclosure Committee;

- (g) regularly reviewing this Policy for legislative changes or development of best practice, recommending to the Disclosure Committee amendments to this Policy, and communicating any amendments to QBE's directors and employees; and
- (h) ensuring that this Policy is made available to all directors and employees.

### **3 Authorised Spokespersons**

The Authorised Spokespersons are the CEO, the CFO, the Group Head of Communication, the Head of Investor Relations and other persons authorised by these officers or by the Board from time to time. Authorised Spokespersons are the only QBE personnel (including directors and employees) who may, subject to this Policy, speak to the media or other external parties in relation to Market Sensitive Information that QBE has previously publicly disclosed to ASX.

Authorised Spokespersons should be briefed by the Disclosure Officer on behalf of the Disclosure Committee about the continuous disclosure obligations of QBE. When communicating with external parties, an Authorised Spokesperson:

- (a) should ensure the communication is limited to information already in the public domain or that is not material (erring on the side of caution in this regard), as the disclosure of confidential information, even if inadvertent, will result in the information no longer falling within the exception to ASX Listing Rule 3.1 and therefore potentially becoming disclosable to ASX immediately;
- (b) may clarify information that QBE has released to ASX but must not comment on Market Sensitive Information that has not previously been released by QBE to ASX;
- (c) should limit any comments to their area of expertise and authority;
- (d) should take care to ensure that comments are not made that could result in rumours or speculation about QBE; and
- (e) must immediately notify the Disclosure Officer if they consider that previously undisclosed Market Sensitive Information was disclosed in the communication with the external party.



## Schedule 4

### Company announcement procedures

The management of QBE's external announcements depends largely on an effective system of internal reporting and announcement preparation.

#### 1 Capturing information

Business unit heads must ensure they have appropriate procedures in place within their areas of responsibility to ensure that all relevant information is reported to them, and if necessary is immediately on forwarded in accordance with this Policy.

#### 2 Disclosure process

The following procedures will apply in relation to all external announcements:

- (a) Identification and notification of potential Market Sensitive Information – as soon as a director or employee becomes aware of information that may be Market Sensitive Information which has not been previously released by QBE to ASX, he or she should immediately notify a member of the Disclosure Committee.  
  
It is important that directors and employees do not prejudge whether information is market sensitive. If they think that information might be market sensitive, they should err on the side of caution and tell a member of the Disclosure Committee.  
  
In addition, the fact that a director or employee considers the potential Market Sensitive Information to be exempt from disclosure (for example, where it is confidential and is for internal management purposes or relates to an incomplete proposal or negotiation) does not derogate from their obligation to notify a member of the Disclosure Committee.
- (b) Review of potential Market Sensitive Information – after receiving notification that information may be Market Sensitive Information, the member of the Disclosure Committee who receives the information will refer the information to the Disclosure Committee to determine whether or not the information is Disclosable Information. In making a determination, the Disclosure Committee may consult with members of the Board, other management and/or external advisers, as necessary.
- (c) Prepare external announcement – if the information is determined to be Disclosable Information, the Disclosure Committee, together or in consultation with relevant members of the Board and other management, where appropriate, will prepare (or oversee the preparation of) a draft announcement to ASX, in order to ensure compliance with QBE's continuous disclosure obligations. Such announcements should be factual, relevant, and expressed in an objective and clear manner. Communications to the market (via ASX) may include, but are not limited to:
  - (i) media releases;
  - (ii) analyst, investor or other presentations;
  - (iii) public tender documents;
  - (iv) annual reports and accounts; and
  - (v) disclosure documents.
- (d) Obtain approval – a proposed company announcement must be approved by:
  - (i) the Board, in the case of significant announcements;

- (ii) the Disclosure Committee, in the case of announcements that do not require Board approval and are not merely administrative in nature; or
- (iii) the Disclosure Officer, in the case of announcements of a purely administrative nature.

The Disclosure Committee will determine whether a matter is of sufficient significance as to require Board approval.

- (e) Lodge announcement – only the Disclosure Officer and such other person as designated by him or her from time to time may lodge the announcement with ASX, and this should be done electronically via ASX Market Announcements Platform.
- (f) Post announcement on QBE's website – AFTER receiving an acknowledgment from ASX that the announcement has been released to the market, the Disclosure Officer should arrange for the announcement to be posted onto QBE's website (under the 'Investor Centre' section) within 24 hours after receiving ASX's acknowledgment.

In light of QBE's obligation to disclose any Disclosable Information 'immediately' upon it becoming aware of the information (see section 1 of Schedule 1), the above steps, where required, should be taken as a matter of urgency and, at a minimum, as quickly as can be done in the circumstances and without postponing, deferring or putting off the matter to a later time.

### **3 Timing**

QBE must not release Market Sensitive Information publicly until it has disclosed it to ASX and received confirmation of its release by ASX.

### **4 Communication of announcements**

Consistent with best practice disclosure and continuous disclosure requirements, after receiving ASX's confirmation that an announcement has been released to the market, QBE will disseminate the information as soon as possible by posting the announcement on QBE's website (within 24 hours after receiving ASX's confirmation), and broadcasting via e-mail and/or fax to major stakeholders.

The QBE website (under the 'Investor Centre' section) will contain relevant information on QBE. The Disclosure Officer or their authorised delegate must review all information prior to it being posted on the website.

### **5 Trading halts and voluntary suspensions**

In a fully informed market there should only be a limited need for QBE to request a trading halt from ASX. However, in exceptional circumstances, QBE may need to request a trading halt from ASX to maintain the efficient trading of its securities. Usually, it will be a decision for the Board whether QBE should request a trading halt, based on a recommendation of a member of the Disclosure Committee. However, in circumstances where the Board is unable to meet sufficiently promptly and a decision whether to request a trading halt cannot be delayed, the Chair of the Board or a member of the Disclosure Committee is empowered to make that decision. The Disclosure Officer is the only person authorised to convey to ASX a request for a trading halt on behalf of QBE.

The ASX encourages the use of trading halts to assist an entity to manage its continuous disclosure obligations. ASX's position is that it will not expect QBE to request a trading halt before it has assessed whether particular information is, in fact, Market Sensitive Information such that it is required by ASX Listing Rule 3.1 to be disclosed or if, having made that assessment, QBE is

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able to make the required announcement promptly and without delay (see section 1 of Schedule 1).

QBE may need to consider making a holding announcement (eg, of the fact that negotiations are taking place, even if the details of the negotiations cannot be disclosed) as an alternative to, or as soon as possible following entry into, a trading halt, if the company is not able to make a more complete announcement. QBE will need to ensure that the holding announcement is sufficient to inform the market.

QBE will only consider requesting a voluntary suspension in exceptional circumstances. Prior Board approval is required for any request by QBE to ASX for a voluntary suspension.

## Schedule 5

### Communications with external parties

#### 1 Pre-results blackout periods

To prevent inadvertent disclosure of Market Sensitive Information, during the periods between the end of its financial reporting periods and the actual results release, QBE's directors and management are required not to discuss any financial information, broker estimates or forecasts with investors, analysts or the media unless the information being discussed has previously been disclosed to ASX (see section 5 of Schedule 1 for the approach to be taken where expected earnings are likely to differ materially from previously published earnings guidance or analyst forecasts).

#### 2 Media and market speculation

QBE has a general 'no comments' policy in relation to market speculation and rumours, which must be observed by directors and employees at all times. However, QBE will issue an announcement or request a trading halt in response to a market speculation or rumour where it is necessary to comply with QBE's continuous disclosure obligation. This may involve correction of factual errors or a response to a formal request from ASX for information (see sections 2 and 3 of Schedule 2).

QBE will not provide the media with exclusive interviews or information that potentially contains any Market Sensitive Information prior to disclosing that information to ASX. It will also not provide any such information 'off the record'.

Directors and employees who are approached by the media or any external parties for information should observe the 'no comments' policy and notify the Disclosure Officer as soon as possible.

#### 3 Briefings/meetings/conference calls with analysts or investors

As part of QBE's management of investor relations and to enhance analysts' understanding of its background and technical information, the company conducts briefings with analysts, investors and the media from time to time to discuss information that has been released to the market, including:

- (a) investor presentations/group briefings;
- (b) analyst conference calls; and
- (c) media interviews,

(collectively referred to as '**briefings**').

QBE's policy for conducting these briefings is not to disclose any information which is, or potentially is, Market Sensitive Information, where that information has not already been disclosed to ASX. In addition, the following protocols will be followed in relation to such briefings:

- (a) any written material to be used at a briefing must be provided in advance to the Disclosure Officer to allow a determination to be made by the Disclosure Committee if that material needs to be released to ASX first because it contains Market Sensitive Information;
- (b) a member of the Disclosure Committee or another person authorised by the CEO or CFO should always be present at the briefing;

- (c) if any other person is authorised by the CEO or CFO to attend the briefing, the CEO or CFO should be fully briefed by that person after the briefing and appropriate records of the briefing be kept for a reasonable period after the briefing;
- (d) if a question raised during the briefing can only be answered by disclosing Market Sensitive Information which was not previously disclosed to ASX, any QBE director or employee present at the briefing must decline to answer the question and, in appropriate cases, take the question on notice and wait until QBE announces the information publicly through ASX before responding; and
- (e) any director or employee present at a briefing must immediately notify the Disclosure Officer if they consider that previously undisclosed Market Sensitive Information was disclosed during the briefing.

QBE will ensure that all material information used or made available for the briefing is disclosed at the briefing or on its website.

#### **4 Broker sponsored investor conferences**

QBE or its executives are from time to time invited to participate or present at broker sponsored investor conferences. The policy and protocols for QBE briefings (as set out in section 3 above) apply to such conferences.

#### **5 Responding to analyst reports and forecasts**

Analysts frequently prepare reports on securities of listed entities, including QBE, which contain performance and financial forecasts. QBE acknowledges the importance of analyst reports in facilitating the operation of the market in an informed and efficient manner.

However, QBE is independent, and will do all things necessary to be seen as independent, from analysts. QBE will not endorse any such reports, and will restrict its comments to factual matters and information which has been previously disclosed to ASX by QBE.

#### **6 Inadvertent disclosure of information**

Disclosure of Market Sensitive Information to an external party prior to disclosure to ASX constitutes a breach of ASX Listing Rule 15.7. To prevent a breach of ASX Listing Rule 15.7 and to minimise the consequences should such a breach occur, the following procedures apply.

A review should be done following any communications with an external party. If a QBE director or employee becomes aware that:

- (a) there may have been inadvertent disclosure of Market Sensitive Information (which has not already been disclosed by QBE to ASX) during any communication with external parties; or
- (b) confidential QBE information may have been leaked (whatever its source),

he or she should immediately notify the Disclosure Officer who will inform the Disclosure Committee. In such a situation, the Disclosure Committee will consider the need to immediately issue a formal ASX announcement in relation to the relevant information.