

## FEATURES COMMON TO BOTH PLANS

### Eligibility

QBE ordinary shareholders who hold a minimum of 100 shares per registered holding at each dividend record date and have a registered address in Australia, New Zealand or reside in any other jurisdiction in which QBE is satisfied that it is lawful and practicable for that shareholder to participate in the DRP or BSP are eligible shareholders. At present, a shareholder who is recorded in QBE's share register as having an address in either the USA (or its territories) or Canada (or its territories) is not an eligible shareholder. If any shares are held by a person (**nominee**) who is recorded in QBE's share register as having an address in either Australia or New Zealand on behalf of another person (**beneficial owner**) and the beneficial owner resides in and would, if registered as a shareholder, be recorded in QBE's share register as having an address in the USA (or its territories) or Canada (or its territories), then neither the nominee nor the beneficial owner is an eligible shareholder.

### Multiple shareholdings

You will need to complete a separate form for each of your shareholdings, eg if you have 75 shares in one shareholding and 50 shares in another shareholding, you will not be able to participate in the DRP or BSP. You will receive a cash dividend for each of those shareholdings. However, if you combine these shareholdings so that you have one shareholding of 125 shares, you can participate in the DRP or BSP.

### Participation level

There is currently no maximum participation level; however, QBE has the discretion to introduce a maximum participation level and to vary the minimum participation level.

### Other common features

The number of DRP or BSP shares you receive will be calculated by

multiplying the number of participating shares you hold at the dividend record date by the relevant dividend, deducting any withholding tax (if applicable) and then dividing this amount by the issue price. Where a fraction of a share results, the calculation will be rounded either up or down to the nearest whole number of shares.

The issue price is based on a weighted average market price of shares calculated during a set pricing period. The pricing period for DRP and BSP shares will be determined by the Directors for each dividend payment date; however, it will be at least five trading days on the Australian Securities Exchange. The issue price will be rounded either up or down to the nearest cent.

Application and variation forms for both the **DRP** and **BSP** must be received by QBE's share registry by **5.00pm (Sydney time) on the business day immediately following the relevant dividend record date.**

Shares allotted under each Plan rank equally with existing shares.

### Statements

Statements showing full details of shares allotted under either Plan will be mailed to participating shareholders at the time of payment of the cash dividend.

### FEATURES OF THE DRP

Under the DRP, the cash dividends on shares are applied to pay for additional QBE shares issued under the DRP.

QBE understands for Australian residents, shares issued under the DRP are treated as dividends for the purpose of the Australian dividend imputation system just as if they were received as a cash dividend. Therefore to the extent that a dividend is franked, shares received

under the DRP will be entitled to the resulting "franking credits" for Australian income tax purposes.

### FEATURES OF THE BSP

The BSP provides for shareholders to elect not to receive a dividend in respect of either some or all of their QBE shares but to receive instead additional fully paid shares issued as Bonus Shares to the equivalent value of the dividend foregone.

QBE understands for Australian residents, shares issued under the BSP are not dividends for the purpose of the Australian dividend imputation system and therefore such shares should not, in general, be subject to either Australian income tax or dividend withholding tax. Such shares will also not be treated as "franked dividends" to which "franking credits" attach for the purpose of the dividend imputation system.

### IMPORTANT

QBE understands for Australian residents, shares received by a shareholder under the DRP are treated differently for taxation purposes to bonus shares issued under the BSP.

However, QBE cannot provide taxation advice for shareholders and does not accept responsibility for shareholders' reliance on any statements contained herein which are provided as general information only. It is recommended that shareholders obtain their own taxation advice before deciding upon participation in either Plan.

### MORE INFORMATION

A full copy of the rules of QBE's Bonus Share Plan and Dividend Reinvestment Plan can be downloaded from QBE's website, [www.qbe.com](http://www.qbe.com) or a hard copy obtained from QBE's share registry, **Computershare Investor Services Pty Limited. Tel: 1300 723 487**