

Corporate governance statement

QBE Insurance Group Limited (QBE) is committed to the highest standards of corporate governance. The QBE Group has a vision and six ONE QBE values that recognise its customers, people, shareholders and the community. QBE believes that a culture that rewards transparency, integrity and performance will promote its long-term sustainability and the ongoing success of its business.

This Corporate Governance Statement relates to the 2017 financial year, and should be read in conjunction with QBE's 2017 Annual Report and the 2017 Sustainability Report. This Corporate Governance Statement has been approved by the Board and is dated 26 February 2018.

Board and management

Board functions

The Board charter sets out the matters expressly reserved for the Board and those delegated to its Committees and management. In accordance with its charter, the Board:

- oversees corporate governance;
- selects and supervises the Group Chief Executive Officer;
- provides direction to management;
- approves the strategies and major policies of the QBE Group;
- monitors performance against plan;
- considers regulatory compliance;
- monitors people-related strategies (including people development and succession planning);
- reviews information technology and other resources; and
- ensures that an effective risk management strategy is established and maintained.

The Board reviews strategy on an ongoing basis. To help the Board maintain its understanding of the business and to effectively assess management, directors receive regular presentations from the divisional chief executive officers and other senior managers of the various divisions on relevant topics including budgets, three-year business plans and operating performance. The Board receives updated forecasts during the year. The non-executive directors also have contact with senior executives at numerous times and in various forums during the year.

Visits by non-executive directors to the QBE Group's offices in key locations are encouraged. The Board meets regularly in Australia and, due to QBE's substantial overseas operations, usually spends time in the United Kingdom and the United States each year.

The Board visited the QBE Group's operations in New York in June and December and in London in October 2017. Delegations from the Board also visited Miami in June 2017 to meet with and receive presentations from local management.

Each formal Board meeting normally considers reports from the Group Chief Executive Officer and the Group Chief Financial Officer, together with other relevant reports. The non-executive directors regularly meet in the absence of management. The Chairman and Group Chief Executive Officer in particular, and directors in general, have substantial contact outside Board and Committee meetings.

Details of the number of Board meetings held during the 2017 financial year and attendance by directors are set out in the Directors' Report.

The Board delegates responsibility to the Group Chief Executive Officer for management of the business on a day-to-day basis.

Senior management functions

Management's responsibilities are to:

- develop a draft strategy, make recommendations to the Board and implement the Board approved strategy subject to market conditions;
- prepare annual budgets and three-year business plans;
- carry on day-to-day operations within the Board approved annual budget and three-year business plans subject to market conditions;
- design and maintain internal controls;
- set up and keep under review an effective risk management and compliance management system, and monitor and manage all material risks consistent with the strategic objectives, risk appetite statements and policies approved by the Board;
- inform the Board of material matters, and keep the Board and market fully informed about material continuous disclosure issues; and
- ensure succession plans exist for all senior management positions other than the Group Chief Executive Officer.

QBE has operated under an extensive written system of delegated authorities for many years. In particular, a written delegated authority with specified limits is approved by the Board each year to enable the Group Chief Executive Officer to conduct the QBE Group's business in accordance with detailed budgets and business plans. This authority deals with topics such as underwriting, reinsurance protection, claims, investments, acquisitions and expenses. The Group Chief Executive Officer delegates his authority to management throughout the QBE Group on a selective basis, taking into account expertise and past performance. Compliance with delegated authorities is monitored by management and adjusted as required for actual performance, market conditions and other factors. Management and the QBE Group's internal audit teams review compliance with delegated authorities and any breach can lead to disciplinary procedures, including dismissal.

Chairman

The independent Chairman of the Board of QBE is Marty Becker, who was appointed in April 2014. In his role as Chairman, Mr Becker is responsible for ensuring that the Board functions as an effective and cohesive group. Mr Becker works closely with the Group Chief Executive Officer to determine the strategic direction for QBE and to establish high standards of governance and leadership.

Committees

The Board is supported by several Committees which meet regularly to consider audit, risk management, investments, remuneration, technology, operations and other matters. The main Committees of the Board are the Audit, Investment, People & Remuneration, Nomination, Risk & Capital and Operations & Technology Committees. Further sub-committees of the Board may be convened to confer on particular issues from time to time. Any non-executive director may attend a Committee meeting. The Committees have free and unfettered access to QBE's senior managers and may consult external advisers at QBE's cost, including requiring their attendance at Committee meetings, with the consent of the Chairman. A report on each Committee's last meeting is provided to the next Board meeting.

Each Committee comprises at least three independent directors and each Committee Chairman is an independent or non-executive director who is not the Chairman of the Board (excluding the Nominations Committee, the Chairman of which is Mr Becker). Each Committee operates under a written charter approved by the Board. These charters are available at www.qbe.com. The membership of each Committee is provided on our website at www.qbe.com and details of the number of Committee meetings held during the 2017 financial year and attendance by Committee members at Committee meetings are set out in the Directors' Report.

Further information regarding the Committees can be found throughout this Corporate Governance Statement.

Company Secretary

The Company Secretary acts as secretary to the Board and all of the Committees and is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. All directors have direct access to the Company Secretary.

The Company Secretary's role is described in the Board charter and includes communication with regulatory bodies and the Australian Securities Exchange (ASX), all statutory and other filings, assisting with good information flows within the Board and its Committees and between non-executive directors and senior management, as well as facilitating induction and professional development as required. The Company Secretary may also provide guidance to directors in respect of legal and regulatory responsibilities.

Board skills and experience

Directors are selected to achieve a broad range of skills, experience and expertise complementary to the QBE Group's insurance activities. At the date of this Corporate Governance Statement, the Board comprised nine directors, being an independent Chairman, seven other non-executive directors, and the Group Chief Executive Officer.

The Board has a skills matrix covering the range of competencies and experience of each director. When the need for a new director is identified, the required experience and competencies of the new director are considered in the context of this matrix and any gaps that may exist.

The Board's skills matrix is below.

SKILLS	INDUSTRY
Financial literacy	General insurance
Legal	Reinsurance
Governance	Investment banking
Strategy	Private equity
Commercial expertise	Financial services
Risk management	Accounting
Government relations	Investments
Executive leadership	
Digital technology	
Cyber security	
IT risks	
Data analytics	

Details of individual directors, including their qualifications and experience, independence status and the period of office serving on the Board, are set out in the Board of Directors section and can also be found on the QBE website at www.qbe.com.

Corporate governance statement CONTINUED

Independence of the Board

The majority of the Board are independent directors, applying the “independence” definition of the ASX Corporate Governance Council. When applying this definition, the Board has determined that an independent director’s relationship with QBE as a professional adviser, consultant, supplier, customer or otherwise is not material unless amounts paid under that relationship exceed 0.1% of QBE’s revenue. The roles of QBE’s Chairman and Group Chief Executive Officer are also not exercised by the same individual.

Directors are required to advise the Board on an ongoing basis of any interest they have that they believe could conflict with QBE’s interests. If a potential conflict does arise, either the director concerned may choose not to, or the Board may decide that he or she should not, receive documents or take part in Board discussions whilst the matter is being considered.

Tenure

The mere fact that a director has served on the QBE Board for a lengthy period of time does not, of itself, suggest a lack of independence; however, the Board has agreed that an independent director’s term should be approximately 10 years. The Board considers that a mandatory limit on tenure would deprive the QBE Group of valuable and relevant corporate experience in the complex world of international general insurance and reinsurance. The tenure of each director is set out in the Board of directors section and can also be found on the QBE website at www.qbe.com.

QBE’s constitution provides that no director, except the Group Chief Executive Officer, shall hold office for a continuous period in excess of three years or past the third AGM following a director’s appointment, whichever is the longer, without submission for re-election. Under QBE’s constitution, there is no maximum fixed term or retirement age for non-executive directors.

Board selection process

The Board has a Nomination Committee which meets regularly during the year around the time of the Board meetings. The Committee assists the Board in appointing directors so that the Board as a whole has the necessary range of skills, knowledge and experience to be effective. The Nomination Committee is comprised of all the non-executive directors of the Board and is chaired by Mr Becker.

A formal process for the selection and appointment of directors is undertaken by the Nomination Committee and Board. Before the Board appoints a new director or puts forward a candidate for election, appropriate background checks are undertaken. External consultants may be employed, where necessary, to search for prospective directors. Candidates are assessed against the required skills and on their qualifications, backgrounds and personal qualities. In addition, candidates must have the required time to commit to the position. The Board regularly reviews the mix of skills that is required. Under QBE’s Constitution, the size of the Board is limited to 12 directors. The Board considers that a maximum of 12 will reflect the largest realistic size of the Board that is consistent with:

- maintaining the Board’s efficiency and cohesion in carrying out its governance duties on behalf of shareholders;
- reducing the risk of a director being insufficiently involved and informed in the business of QBE; and
- providing individual directors with greater potential to contribute and participate.

QBE also provides shareholders with all material information in its possession that is relevant to a decision on whether or not to elect or re-elect a director through a number of channels, such as the Notice of Meeting, director biographies and other information contained in the Annual Report.

The Board adopted revised non-executive director nomination, performance evaluation and tenure guidelines in September 2014. The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review. As an ongoing evaluation, the Board regularly discusses its make up in relation to the mix of skills, diversity and geographic location of directors to meet the needs of QBE.

Director induction and training

Upon appointment, each non-executive director (and senior executive) is provided with a written agreement which sets out the terms of their appointment. Directors also attend induction sessions upon their appointment, where they are briefed on QBE’s history and vision, strategy, financials, and risk management and governance frameworks.

The Board ensures it has the information it requires to be effective including, where necessary, independent professional advice. A non-executive director may seek such advice at QBE’s cost with the consent of the Chairman. Directors are also provided with ongoing professional development and training programs to enable them to develop and maintain their skills and knowledge at QBE’s cost, with the consent of the Chairman.

Performance evaluation and remuneration

Performance evaluation – Board and directors

The Chairman oversees the performance of the Board, its Committees and each director. The Board regularly reviews its performance through internal and external assessments, and recommendations for either improvement or increased focus are agreed and then implemented.

In 2017, a Board evaluation was undertaken using the services of external consultants. The review covers the performance of the Board and its Committees. The result of the review was reported to the Chairman and discussed in detail by the Board.

Performance evaluation – senior management

The People & Remuneration Committee oversees the performance of senior management. In addition, the Board continually monitors the performance of senior management through regular contact and reporting.

In 2017, QBE continued to use a balanced scorecard of individual key performance indicators (KPIs) to ensure that a broader view of performance and specific strategic priorities are considered when assessing performance and incentive outcomes. Other than as set out in the Remuneration Report, senior management have 20% of their Executive Incentive Plan outcome determined with reference to individual KPIs.

The scorecard is aligned to QBE's business plans and measures objectives which support QBE's strategy in 2017. The Remuneration Report sets out a summary of the key objectives and outcomes for the Group Chief Executive Officer for 2017, John Neal. The Group Chief Executive Officer's scorecard was formulated initially through a discussion between the Group Chief Executive Officer and the Chairman and was approved by the Board. The scorecards for the rest of senior management (which are consistent with and support the scorecard for the Group Chief Executive Officer) were approved by the People & Remuneration Committee.

The 2017 objectives for senior management were used to measure their performance for the 2017 year. These performance evaluations occurred in 2018.

People & Remuneration Committee

The Board has a People & Remuneration Committee which meets at least quarterly to assist it in overseeing major remuneration practices of the QBE Group. The People & Remuneration Committee is comprised of independent directors and is chaired by John M Green. With effect from 1 January 2018, the scope of the People & Remuneration Committee was expanded to include key people items to bring more focus on QBE's people strategy. The name of the Committee has therefore been changed to the People & Remuneration Committee to reflect this broader scope.

Remuneration policies and practices

Details of QBE's policies and practices regarding the remuneration of executives and non-executive directors (being Key Management Personnel) are set out in the Remuneration Report.

Other than meeting statutory superannuation requirements, QBE does not have in place any retirement benefit schemes for non-executive directors.

QBE's trading policy for dealing in securities of QBE Insurance Group Limited or other entities outlines QBE's approach to derivatives or otherwise limiting the economic risk of participating in an equity-based remuneration scheme. The trading policy is available at www.qbe.com.

Group governance

Group governance framework

The Board approved a new framework in 2013, which has continued to evolve. The framework includes, in particular:

- revised roles for the boards of divisional holding companies and divisional insurers; and
- divisions having committees similar to the QBE Board.

There is now a greater liaison between the QBE Board and the divisional holding boards. The QBE Board also meets separately with local independent directors at least once a year. These changes followed a review of governance at QBE Group and divisional levels.

Group guidelines

In February 2018, the QBE Group released its updated Code of Ethics and Conduct. The code was reviewed and updated to take into account QBE's changing business environment, approach and strategy and emerging regulatory and compliance issues.

The code applies to all employees as well as our directors, agents and contractors. Also in February 2018, we changed the provider of our current whistleblowing system and released the new system across the majority of QBE. The new system is known as the QBE ethics hotline and reflects our commitment to develop a "speak up" culture and ensure disclosures made by our employees are taken seriously and employees protected.

Director conduct is covered by both the Code of Ethics and Conduct and the non-executive directors' nomination, performance evaluation and tenure guidelines. These guidelines cover director conduct, particularly in regard to tenure, performance and evaluation. The guidelines are available at www.qbe.com.au.

The QBE Group has global policies in key compliance areas, including anti-bribery and anti-corruption, sanctions, whistleblowing and diversity and inclusion. In 2017, we adopted new global policies in work, health and safety and privacy and introduced standards for gifts and entertainment across our Group Head Office. In recognition of the importance of protecting customer data across the QBE Group, we appointed a Group Privacy Officer. Our global approach in key compliance areas recognises that our employees (including our contractors, directors and agents) are key to maintaining a compliant and ethical approach to our business practices. Most global policies are supported by Group guidelines that provide additional information and guidance to support our employees.

In Australia, QBE complies with the General Insurance Code of Practice; a self-regulated code developed by the Insurance Council of Australia relating to the provision of products and services to customers of the general insurance industry in Australia. QBE's Australian business is also a member of the Financial Ombudsman Service; an ASIC approved external dispute resolution body which deals with general insurance disputes between consumers and insurers.

Continuous disclosure

The Board adopted a revised continuous disclosure policy in February 2015, which is available at www.qbe.com.

QBE takes its continuous disclosure obligations seriously and issues market releases during the year to satisfy those obligations. All ASX announcements are set out on QBE's website at www.qbe.com.

Corporate governance statement CONTINUED

Diversity and inclusion

QBE has a strong commitment to diversity and to offer a dynamic workplace culture; one that values and leverages the ideas, capabilities and experiences of our global workforce. We believe this strengthens our ability to deliver on our business goals, particularly as it relates to innovation, performance and our focus on customers.

QBE's global diversity and inclusion policy, sets out principles that highlight how we guide our actions and ensure dignity and respect in the workplace and proactive diversity management across the QBE Group:

- harness our global workforce to drive innovation and creativity working together to garner a better understanding of our customer, shareholder and community needs;
- openly embrace the unique diversity, skills and qualities of all our employees and encourage an environment that is open to learning, is culturally sensitive, flexible, safe, and attractive as an employer;
- promote a high level of engagement and performance by ensuring all employees have equal access to the opportunity to learn, develop and grow, acknowledging our employees have a wealth of knowledge, skills and ideas to contribute; and
- ensure we demonstrate appropriate workplace behaviours and take accountability to eliminate all forms of unlawful discrimination.

Reporting to the QBE People & Remuneration Committee of the Group Board and discussions with the Group Executive Committee who represent the Global Diversity & Inclusion Council as well as divisional leadership teams drives accountability and focus on diversity and inclusion priorities, a summary of which are shown below:

AREA OF FOCUS	ACHIEVEMENTS IN 2017
Upskilling of leaders promoting inclusive capabilities	<ul style="list-style-type: none"> • Enhanced tools and resources made available for people leaders focused on eliminating bias in decision making helping with day to day recruitment, onboarding, performance management and career conversations and general leadership of high performing teams. Workshops and online tools introduced via a People Leader Hub – promoting an objective, consistent and fair employee experience globally. • Continued investment in development of leaders through the Global Leadership Academy: an additional 222 employees globally attended the programs, of which 43% were female. A total of 2,573 employees have participated in the Academy since its introduction in 2013 (42% being female).
Diversity in leadership representation	<ul style="list-style-type: none"> • Female representation at senior levels (Levels 0-3) increased a further 2% over the year, reaching 30% (see Table A). <ul style="list-style-type: none"> – 41% of all senior placements were female (42% of external hires were female; 38% of all promotions were female) • A new global process was introduced for recruiting senior roles (L0-1 and key L2 roles) that requires an equal number of female and male candidates to be shortlisted for each vacant role.
Strong pipeline of diverse talent	<ul style="list-style-type: none"> • Focus on empowering employees' access to career development by enhancing our employment practices and offerings: <ul style="list-style-type: none"> – new promotion process introduced in North America to support career progression for key talent; – enhanced talent review process with the introduction of discussions centred around mix of gender, age and diversity of background to address business needs in European Operations; and – new digital learning and development initiatives including a global learning management system, Learn@QBE and a career portal. • A number of QBE divisions proactively partnered with external companies to enhance our ability to attract a more diverse mix of candidates, e.g. Partnership with Vercida – diversity and inclusion jobs board in our European Operations and working in partnership with Career Trackers in Australia looking to increase our internship opportunities for Indigenous Australians.
Customer satisfaction and retention	<ul style="list-style-type: none"> • Aiming to enhance our diverse customer experience, we proactively evaluate advertising and marketing content aimed at customers across QBE globally for gender bias ensuring inclusive language is used prior to publication. • Launched the world's first Gender Equality Additional Tier 1 ("AT1") bond, enabling institutional investors to invest in supporting organisations that champion gender equality – aligning with QBE's own commitments.

AREA OF FOCUS

ACHIEVEMENTS IN 2017

Higher engagement of all employees

- Overall engagement score of 67% and enablement score of 69% was achieved with a strong survey response rate of 82% in 2017. We also introduced a Diversity & Inclusion Index – achieving a score of 73%. This result indicates employees feel they are treated respectfully and fairly and are supported in achieving work-life-balance.
- Promoting a “speak up” culture that ensures a safe environment to raise concerns – we introduced a global whistleblower policy and ethics hotline together with global education and training.

Gender balance at Board and senior management levels

QBE's workforce as at 31 December 2017 is made up of 53% (7,427) women and 47% (6,713) men.

Details of gender representation across management levels together with targets set for achievement by 2020 are set out below:

Table A

GENDER REPRESENTATION	GENDER TARGET BY 2020	ACTUAL 31 DECEMBER 2017	ACTUAL 31 DECEMBER 2016	BASELINE 31 DECEMBER 2015
QBE Board	30%	22%	27%	22%
Group Executive positions (Level 0)		11%	11%	10%
Level 1		22%	22%	20%
Level 2		22%	22%	21%
Level 3		32%	30%	29%
Women in management (Total % of Levels 0, 1, 2 & 3)	35%	30%	28%	27%
Women in workforce		53%	53%	53%

In addition to QBE's commitment to diversity and achieving our gender targets, QBE became a signatory to the United Nations Women's Empowerment Principles in 2017. The Principles offer a framework and goals which we aim to leverage as we continue to transform our behaviours and practices, guiding our future focus.

For additional information on our approach and progress, see QBE's 2017 Sustainability Report. QBE also makes an annual filing to comply with the Workplace Gender Equality Act (WGEA) in Australia disclosing our performance against the “Gender Equality Indicators”. Both the 2017 Sustainability Report and 2017 WGEA Report can be found at www.qbe.com.

Respecting the rights of shareholders

QBE respects the rights of its shareholders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

QBE aims to provide shareholders with up-to-date information. QBE also provides regular communications to shareholders and other stakeholders through a number of publications including the Annual Report, Half Year Report and Sustainability Report. Hard copies of these documents are sent to shareholders who have opted to receive these in printed form. All reports are available at www.qbe.com. The website also provides information about QBE's history, vision and corporate governance, as well as the biographies about directors and the QBE Group executives.

QBE provides shareholders the option to receive all communications from QBE and its share registry electronically, and encourages shareholders to do so where possible. Shareholders can discuss their shareholding with either the shareholder services department or the share registry, both located in Sydney.

QBE welcomes shareholder participation at its Annual General Meeting (AGM), either in person or by proxy. The AGM is held in Sydney each year and webcast to shareholders that are unable to attend in person. Shareholders are also encouraged to provide questions or comments ahead of the meeting, and ask any direct questions to the Chairman or the external auditor at the AGM. All resolutions in the Notice of Meeting have explanatory notes. The shareholder communication guidelines are available at www.qbe.com.

QBE has a comprehensive investor relations program that facilitates effective communication with its investors. The Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Risk Officer, Group Chief Operations Officer, Group General Counsel and Company Secretary, Global Head of Investor Relations, divisional chief executives and divisional finance officers generally deal with analysts, investors, media, rating agencies and others, taking account of regulatory guidelines including those issued by the ASX on continuous disclosure. The presentations on the 30 June and 31 December results and other major presentations are sent to the ASX before the presentations commence and are available promptly on the QBE Group's website. The 30 June and 31 December presentations are also webcast live and subsequently archived on the QBE Group's website.

Corporate governance statement CONTINUED

Financial and other reporting

Audit Committee

The Board has an Audit Committee which meets at least quarterly to support the Board in overseeing the effectiveness of the QBE Group's financial reporting and risk management framework. In particular, the Audit Committee oversees and monitors the integrity of the QBE Group's financial reporting. The Audit Committee is comprised of non-executive directors, a majority of whom are independent directors, and is chaired by Sir Brian Pomeroy.

CEO and CFO declaration

Prior to the Audit Committee's review and the Board's approval of the 2017 Annual Report, the Group Chief Executive Officer and Group Chief Financial Officer provided a declaration to the Board that, in their opinion, the financial records were properly maintained, that the financial statements complied with the appropriate accounting standards and that they gave a true and fair view of the financial position and performance of the QBE Group. The declaration also provides that the opinion of the Group Chief Executive Officer and Group Chief Financial Officer was based on a sound system of risk management and internal control which is operating effectively.

External auditor independence

QBE firmly believes that the external auditor must be, and must be seen to be, independent. The external auditor confirms its independence and the Audit Committee confirms this by separate enquiry. The Audit Committee meets with the external auditor in the absence of management as part of each Committee meeting. The external auditor attends the AGM and a representative is available to answer questions from shareholders relevant to the audit.

The Audit Committee has free and unfettered access to the external auditor. The external auditor, the Group Head of Internal Audit and the Group Chief Actuary have free and unfettered access to the Audit Committee.

QBE has issued an internal guideline on external auditor independence. Under this guideline, the external auditor is not allowed to provide the excluded services of preparing accounting records, financial reports or asset or liability valuations. Furthermore, it cannot act in a management capacity, as a custodian of assets or as a share registry.

The Board believes some non-audit services are appropriate given the external auditor's knowledge of the QBE Group. QBE may engage the external auditor for non-audit services other than excluded services subject to the general principle that fees for non-audit services should not exceed 50% of all fees paid to the external auditor in any one financial year. External tax services are generally provided by an accounting firm other than the external auditor.

The Audit Committee approves the audit plan each year and receives information on the external auditor's fees. QBE also considers the terms of engagement of the external auditor every few years. The *Corporations Act 2001* and Australian professional auditing standards require rotation of the lead engagement partner after five years. The lead engagement partner of the external auditor was last rotated in 2014.

In the event that the Audit Committee thought it appropriate to change the firm undertaking QBE's external audit, it would conduct an appropriate competitive tender process.

Actuarial review

It is a longstanding practice of the directors to ensure that the QBE Group's insurance liabilities are assessed by actuaries. The central estimate of QBE Group's insurance liabilities, comprising outstanding claims and premium liabilities, is determined by experienced internal actuarial staff. Actuarial staff form an independent view, separate from management, of both the central estimate and the probability of adequacy of outstanding claims and premium liabilities. At 31 December 2017, close to 100% of QBE's outstanding claims central estimate was also reviewed by external actuaries.

Internal audit

A global internal audit function is critical to the risk management process. QBE's internal audit function reports to the Group Chief Financial Officer and the Audit Committee on the monitoring of the QBE Group's worldwide operations. Internal audit provides independent assurance that the design and operation of the controls across the QBE Group are effective. The internal audit function operates under a written charter from the Audit Committee. Other governance documents include a reporting protocol, internal audit manual, internal audit issue rating system, internal audit opinion levels and internal audit timetables. A risk-based internal audit approach is used so that higher risk activities are reviewed more frequently.

Risk management

QBE is in the business of managing risk. The Board and management are fully committed to ensuring that a disciplined approach to managing risk delivers leading practice and that QBE Group's risk management processes and systems are robust and independent. QBE's risk framework supports its businesses across all divisions and provides a sound foundation for reducing uncertainty and volatility in business performance.

Risk & Capital Committee

The Board monitors the QBE Group's performance and, as such, plays a significant role in ensuring that an effective risk management strategy is established and maintained. The Board has a Risk & Capital Committee which meets at least quarterly to support the Board in overseeing the effectiveness of QBE Group's risk and capital management frameworks. The proper oversight of these frameworks supports strategic objectives, informs business plans and ensures that current and future risks are identified, assessed and monitored in line with risk appetite. Under its charter, the Risk & Capital Committee is required to review the risk framework periodically to confirm it continues to be sound. This review was undertaken during 2017 as part of the annual refresh of the Risk Management Strategy.

The Risk & Capital Committee is comprised of independent directors and is chaired by Rolf Tolle and was chaired by Jann Skinner until 31 December 2017. The Risk & Capital Committee has access to the Group Chief Risk Officer and other relevant senior management.

Economic, social and environmental risk

Information about how QBE approaches sustainability and the management of environmental, social and governance (ESG) issues can be found in the 2017 Sustainability Report available at www.qbe.com.

Further details of how QBE manages risk are set out in the Group Chief Risk Officer's Report. An overview of QBE's risk management framework, including QBE's key economic material risks and how these are mitigated, is also set out in note 4 to the Financial Report.