



Exemption 5 of 2012

Section 248 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*

I, John Lance Schmidt, AUSTRAC Chief Executive Officer, acting under paragraph 248(1)(a) of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act), and subject to the conditions set out in this instrument, exempt QBE Management Services Pty Ltd (ABN 92 004 800 131) (QMS) from the following provisions of the AML/CTF Act:

- (a) Divisions 2 to 7 of Part 2 (other than section 39);
- (b) Divisions 2 to 5 of Part 3 (other than sections 42 and 44);
- (c) Section 50;
- (d) Parts 5 to 7 and 10.

where QMS provides a designated service of the kind described in item 46 of Table 1 in subsection 6(2) of the AML/CTF Act (**Item 46 Designated Service**) on and from the date this instrument is signed.

Conditions specified pursuant to paragraph 248(2)(b) of the AML/CTF Act

1. This exemption is granted subject to the following conditions:
 - (a) the Item 46 Designated Service is provided only in the course of QMS administering the operation of employee share and option plans involving interests in, or options to acquire interests in, the publicly listed company QBE Insurance Group Limited (ABN 28 008 485 014) (QBE) (QBE ESOPs); and
 - (b) the Item 46 Designated Service is provided by QMS to employees of the QBE group of companies who are eligible to participate in the QBE ESOPs only (**Eligible Employees Participants**); and
 - (c) Eligible Employees Participants are not permitted to introduce new or additional monies in a QBE ESOP and;
2. This exemption does not apply during any period in which QMS provides a designated service other than the Item 46 Designated Service in the circumstances outlined in paragraphs (a), (b) and (c) above; and
3. If an event occurs that may affect QMS's compliance with this exemption, and/or conditions, QMS must notify the AUSTRAC CEO or delegate:
 - (a) within 14 days of the event occurring; or
 - (b) within such other period as is authorised in writing by the AUSTRAC CEO or delegate; and
4. If QMS does not comply with paragraph 3, this exemption ceases to apply until QMS notifies the AUSTRAC CEO or delegate of the event.

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John Lance Schmidt
CHIEF EXECUTIVE OFFICER

6 September 2012

Important Notice to person named in this instrument

1. Under subsection 248(3) of the AML/CTF Act, a person granted an exemption subject to one or more conditions must comply with the conditions set out in the instrument. Failure to comply with subsection 248(3) is a civil penalty provision and may result in:
 - the revocation of the exemption; and
 - the AUSTRAC CEO applying to the Federal Court of Australia for a civil penalty order requiring the person to pay a pecuniary penalty in respect of the breach.
2. It is an offence under sections 136 and 137 of the AML/CTF Act to provide false or misleading information or documents. If any of the information submitted by the applicant or its representatives is found to be false or misleading, the exemption may be revoked, and action may be initiated against the applicant.
3. The person granted the exemption may request the AUSTRAC CEO at any time to revoke or vary the exemption.
4. Any request to vary this exemption must be submitted to the AUSTRAC CEO or approved delegate no later than 14 days before the date the change is requested to commence.