

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

QBE INSURANCE GROUP LIMITED

ABN

28 008 485 014

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |   |
|---|---|---|
| 1 | +Class of +securities issued or to be issued  | USD Perpetual Fixed Rate Capital Notes<br>(Capital Notes)   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 2,000 Notes   |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>The Notes are direct, subordinated and unsecured obligations of QBE, issued in registered form.</p> <p>The main features of the Capital Notes include:</p> <ul style="list-style-type: none"><li>• perpetual with an option for QBE to redeem the Capital Notes on the first call date in 7.5 years (16 May 2025) and then on each interest rate reset date thereafter and for certain tax and regulatory events (in each case, subject to the prior written approval of the Australian Prudential Regulation Authority (APRA));</li></ul> |

+ See chapter 19 for defined terms.

- Capital Notes will bear interest at a fixed rate of 5.25% per annum for the first interest rate period, payable semi-annually in arrear, which will be reset on 16 May 2025 and every fifth anniversary afterwards to a rate calculated by reference to the rate in per cent per annum equal to the yield, under the heading that represents the average for the week immediately prior to the interest rate determination date, appearing in the most recently published statistical release designated "H.15(519)" plus a margin of 3.047% per annum, payable semi-annually in arrear;
- interest is discretionary and non-cumulative. Failure to pay interest will not constitute an event of default;
- if APRA determines QBE is or would be non-viable, all the Capital Notes (or some of them) will be converted into ordinary shares of QBE or written-off;
- there are no events of default, accordingly (but without limitation), failure to pay in full, for any reason, an amount of interest on the scheduled interest payment date will not constitute an event of default; and
- if for any reason QBE does not pay an interest in full on the relevant interest payment date a dividend restriction will apply from that date until the next interest payment date unless the interest is paid in full within 10 business days of the relevant interest payment date.

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+ See chapter 19 for defined terms.

<p>4 Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional <sup>+</sup>securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>No. Prior to conversion, Capital Notes carry no right to participate in dividends payable in respect of other securities of QBE.</p> <p>The Capital Notes constitute direct and unsecured, subordinated obligations of QBE, ranking in a winding-up of QBE:</p> <ul style="list-style-type: none"> <li>• ahead of the obligations of QBE in respect of ordinary shares;</li> <li>• equally among themselves and with the obligations of QBE in respect of any instruments that ranks in a winding-up of QBE as the most junior claim ranking senior to ordinary shares (including other instruments issued after 1 January 2013 as relevant Tier 1 capital instruments) (<b>Equal Ranking Instruments</b>); and</li> <li>• behind the obligations of QBE in respect of the claims of all creditors of QBE which would be entitled to be admitted in the winding-up of QBE other than claims in respect of Equal Ranking Instruments (<b>Senior Ranking Debt</b>).</li> </ul> <p>In a winding-up of QBE, claims for amounts owing by QBE in connection with Capital Notes are subordinated to claims in respect of Senior Ranking Debt, in that:</p> <ul style="list-style-type: none"> <li>• all claims in respect of Senior Ranking Debt must be paid in full before any claim in respect of the Capital Notes is paid; and</li> <li>• until the claims in respect of Senior Ranking Debt have been paid in full, holders of Capital Notes must not claim in the winding-up of QBE in competition with the creditors under Senior Ranking Debt.</li> </ul> <p>If conversion of the Capital Notes occurs in accordance with the terms, the ordinary shares of QBE issued on conversion will rank equally in respect of all other ordinary shares of QBE.</p>
<p>5 Issue price or consideration</p>	<p>USD400,000,000</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>QBE intends to use the proceeds of the Capital Notes to finance or refinance investments in qualifying bonds that are eligible as per the criteria in accordance with QBE's Gender Equality Bond Framework (available at <a href="https://www.group.qbe.com/sites/default/files/Investor%20Documents/October%2025%2C%202017%20-%20QBE%20Gender%20Equality%20Bond%20Framework.pdf">https://www.group.qbe.com/sites/default/files/Investor%20Documents/October%2025%2C%202017%20-%20QBE%20Gender%20Equality%20Bond%20Framework.pdf</a>).</p>

<sup>+</sup> See chapter 19 for defined terms.

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6a	Is the entity an <sup>+</sup> eligible entity that has obtained security holder approval under rule 7.1A?  If Yes, complete sections 6b – 6h <i>in relation to the <sup>+</sup>securities the subject of this Appendix 3B</i> , and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of <sup>+</sup> securities issued without security holder approval under rule 7.1	N/A
6d	Number of <sup>+</sup> securities issued with security holder approval under rule 7.1A	N/A
6e	Number of <sup>+</sup> securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of <sup>+</sup> securities issued under an exception in rule 7.2	N/A
6g	If <sup>+</sup> securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the <sup>+</sup> issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If <sup>+</sup> securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A

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<sup>+</sup> See chapter 19 for defined terms.

**7      +Issue dates**

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

16 November 2017

**8      Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)**

Number	+Class
1,360,096,321	Ordinary shares

+ See chapter 19 for defined terms.

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX ( <i>including the +securities in section 2 if applicable</i> )	
	32,534	Unexercised employee options
	19,017,189	Unexercised employee conditional rights
	1,999	Subordinated, unsecured notes due 2043
	2,620	Subordinated, unsecured notes due 2046
	3,271	Subordinated, unsecured notes due 2042
	1,500	Subordinated, unsecured notes due 2045
	20,000	Subordinated Notes - unsecured notes due 2040
	3,500	Subordinated Notes - unsecured notes due 2044
	1,500	Senior Notes due 2022
	1,500	Senior Notes due 2023
	2,000	Perpetual Capital Notes
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

## Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A

+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

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- |    |   |     |
|----|---|-----|
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker?                            | N/A |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)?                    | N/A |
| 33 | +Issue date   | N/A |

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of +securities  
(tick one)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

## Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

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+ See chapter 19 for defined terms.



## Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A				
39	+Class of +securities for which quotation is sought	N/A				
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>the date from which they do</li> <li>the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	N/A				
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A				
42	Number and +class of all +securities quoted on ASX ( <i>including</i> the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Number</th> <th style="width: 50%; text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; vertical-align: top;">N/A</td> <td style="text-align: center; vertical-align: top;">N/A</td> </tr> </tbody> </table>	Number	+Class	N/A	N/A
Number	+Class					
N/A	N/A					

+ See chapter 19 for defined terms.

**Quotation agreement**

1      +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2      We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

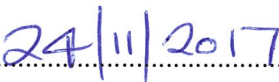
3      We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4      We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

  
.....  
(Company Secretary)

Date:

  
.....

Print name:

Peter Smiles

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+ See chapter 19 for defined terms.