

PRICING SUPPLEMENT

9 November 2017 [as amended on 16 July 2020](#)

[\(Provisions inserted by the amendments are shown with underlining and provisions deleted by the amendments are shown with a line struck-through\)](#)



QBE Insurance Group Limited (ABN 28 008 485 014)

**Issue of USD400,000,000 Perpetual Fixed Rate Capital Notes
under the U.S.\$4,000,000,000
Medium Term Note Programme**

Intended to be issued in accordance with the Issuer's Gender Equality Bond Framework (defined below). Compliance with the Issuer's Gender Equality Bond Framework is neither a recommendation to buy, sell or hold securities nor a credit rating.

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Capital Notes (the "**Conditions**") set forth in the Offering Circular dated 2 May 2016 (the "**Offering Circular**"). This document constitutes the Pricing Supplement for the Capital Notes described herein and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Capital Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. The Offering Circular is available on the website of Singapore Exchange Securities Trading Limited ("**SGX-ST**") (www.sgx.com) and during normal business hours from the registered office of the Issuer and the specified office of the Principal Paying Agent. In the case of Capital Notes listed on the SGX-ST, the applicable Pricing Supplement will also be published on the website of the SGX-ST.

1. (a) Series Number: 6
(b) Tranche Number: 1
2. Specified Currency or Currencies: U.S. dollars ("**USD**")
3. Aggregate Nominal Amount:
 - (a) Series: USD400,000,000
 - (b) Tranche: USD400,000,000
4. Issue Price: 100 per cent. of the Aggregate Nominal Amount of the Tranche
5. (a) Specified Denominations: USD200,000 and integral multiples of USD1,000 in excess thereof up to and including USD399,000. No Capital Notes in definitive form will be issued with a denomination above USD399,000
(b) Calculation Amount: USD1,000
6. (a) Issue Date: 16 November 2017

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| (b) | Interest
Commencement Date: | Issue Date |
| 7. | Interest Basis: | Fixed Rate (resetting) - see paragraph 10 below |
| 8. | Change of Interest Basis: | Not Applicable |
| 9. | (a) Status of the Notes: | Subordinated (Capital Notes) |
| | (b) Date Board approval
for issuance of Capital
Notes obtained: | 8-11 October 2017 |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 10. | Fixed Rate Note Provisions: | Applicable |
| | (a) Rate(s) of Interest: | In respect of: <ul style="list-style-type: none"> • the first Interest Rate Period, 5.25 per cent. per annum (being an amount equal to the Reference Rate applicable to the first Interest Rate Period plus the Margin) payable semi-annually in arrear on each Interest Payment Date; and • each subsequent Interest Rate Period, the rate (expressed as a percentage per annum) equal to the Reference Rate applicable to the Interest Rate Period plus the Margin payable semi-annually in arrear on each Interest Payment Date. |

“Interest Rate Determination Date” means:

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| (a) | in respect of the first Interest Rate Period, 9 November 2017; and |
| (b) | in respect of any other Interest Rate Period, the second Business Day preceding the first day of such Interest Rate Period. |

“Interest Rate Period” means:

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| (a) | for the first period, the period from (and including) the Issue Date to (but excluding) the first Interest Rate Reset Date; and |
| (b) | for each subsequent period, the period from (and including) each Interest Rate Reset Date to (but excluding) the next succeeding Interest Rate Reset Date. |

“Interest Rate Reset Date” means 16 May 2025 and each day falling every five calendar years thereafter.

“Margin” means 3.047 per cent. per annum.

“Reference Rate” means:

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| (a) | in respect of the first Interest Rate Period, 2.203 per cent. per annum based on U.S. Treasury Reference 2.125% due September 2024; and |
| (b) | in respect of each subsequent Interest Rate Period, the rate in per cent. per annum notified by the Principal Paying Agent to the Issuer and the |

Noteholders (in accordance with Condition 17) 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)” or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption “Treasury constant maturities” for the maturity corresponding to the Comparable Treasury Issue. If there is no Comparable Treasury Issue with a maturity within three months before or after the next succeeding Interest Rate Reset Date, yields for the two published maturities most closely corresponding to such Interest Rate Reset Date will be determined and the Reference Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month). If such release (or any successor release) is not published during the week preceding the relevant Interest Rate Determination Date or does not contain such yields, “**Reference Rate**” means the rate in per cent. per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the relevant Interest Rate Determination Date.

“**Comparable Treasury Issue**” means the U.S. Treasury security selected by the Principal Paying Agent as having a maturity of five years that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity of five years.

“**Comparable Treasury Price**” means, with respect to the relevant Interest Rate Determination Date, the average of three Reference Treasury Dealer Quotations for such Interest Rate Determination Date.

“**Reference Treasury Dealer**” means each of the three nationally recognised investment banking firms selected by the Issuer that are primarily U.S. Government securities dealers.

“**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and the relevant Interest Rate Determination Date, the average, as determined by the Principal Paying Agent, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Principal Paying Agent by such Reference Treasury Dealer at or about 10.00 a.m. (New York City time), on the relevant Interest Rate Determination Date.

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| (b) | Interest Payment Dates: | 16 May and 16 November in each year unless the Capital Notes are redeemed in which case the last Interest Payment Date is the date of redemption of the Capital Notes |
| (c) | Fixed Coupon | USD26.25 per Calculation Amount for the first Interest Rate |

	Amount(s):	Period
(d)	Broken Amount(s):	Not Applicable
(e)	Day Count Fraction:	30/360
(f)	Determination Date(s):	Not Applicable
11.	Floating Rate Note Provisions:	Not Applicable

PROVISIONS RELATING TO CONVERSION AND WRITE-OFF

12.	Specification of Conversion or Write-Off (Condition 7.3):	Conversion <u>Write-Off</u>
13.	Issue to nominee (Condition 8.13):	Applicable <u>Not Applicable</u>
14.	VWAP Period:	As specified in the Conditions <u>Not Applicable</u>

PROVISIONS RELATING TO REDEMPTION

15.	Redemption for Tax Event or Regulatory Event (Condition 10.1):	Applicable
16.	Issuer Call:	Applicable
	Optional Redemption Date(s):	Each Interest Rate Reset Date
17.	Redemption Amount:	USD1,000 per Calculation Amount

For the avoidance of doubt and without limitation, none of the following will result in the Capital Notes becoming redeemable at the option of Noteholders:

- (a) *any failure by the Issuer to comply with the Issuer's Gender Equality Bond Framework (as defined below);*
- (b) *any withdrawal of any opinion with respect to the Gender Equality Bond Framework or the Capital Notes for any reason; or*
- (c) *any failure of any financed or refinanced qualifying bond (that is eligible as per the criteria in accordance with the Issuer's Gender Equality Bond Framework) to comply with the Issuer's Gender Equality Bond Framework, any eligibility criteria or any standards.*

GENERAL PROVISIONS APPLICABLE TO THE CAPITAL NOTES

18.	Form of Capital Notes:	Registered Notes Regulation S Global Note in respect of the nominal amount inscribed therein and registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg exchangeable for Definitive Registered Notes upon an Exchange Event
19.	Principal Financial Centre:	New York
20.	Additional Financial Centres:	Sydney and London

21. Talons for future Coupons to be attached to Definitive Bearer Notes: Not Applicable
22. Other Amendments: *Definition of “Senior Ranking Debt”*
- The definition of “Senior Ranking Debt” in Condition 22.1 (“Definitions”) is amended by deleting the words “(including the claims described in section 563AA and in section 563A of the Corporations Act)”.
- Additional Disclosure – Gender Equality Bond Framework*
- If the Capital Notes cease to comply with the Issuer’s Gender Equality Bond Framework (as defined below) or the Issuer receives actual notice from Sustainalytics that its opinion in respect of the Issuer’s Gender Equality Bond Framework has been withdrawn, the Issuer will notify Noteholders of that fact as soon as reasonably practicable after it becomes aware of such non-compliance or receipt of the relevant notice (as applicable), provided, however, that any failure to do so shall not constitute a default of any kind, or otherwise permit redemption at the option of the Noteholders.
- For definitions of “Gender Equality Bond Framework” and “Sustainalytics” and for information in relation to the Issuer’s Gender Equality Bond Framework and Sustainalytics, please see the Additional Disclosure – Gender Equality Bond Framework below.*

U.S. Transfer Restrictions

The Capital Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States.

No Capital Note (nor any portion thereof) may be offered, resold or otherwise transferred prior to:

- (1) the date that is one year after the later of:
 - (a) 16 July 2020; and
 - (b) the last date on which the Issuer or an affiliate (as defined in Rule 144 under the Securities Act) of the Issuer was the owner of the relevant Capital Note (or any predecessor of such Capital Note); or
- (2) such later date, if any, as may be required by applicable law,

except:

- (i) to the Issuer or any of its subsidiaries;
- (ii) to a person whom the seller reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act purchasing for its own account or for the account of a “qualified institutional buyer” in a transaction meeting the requirements of Rule 144A;
- (iii) outside the United States in an offshore transaction in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act (provided that no transfers pursuant to this clause (iii) may be made to, or for the account or benefit of, “U.S. persons”, as defined in Regulation S under the Securities Act prior to the expiration of forty days from 16 July 2020); or
- (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available).

and, in any case, in compliance with applicable local securities laws.

The Capital Notes and any related documentation may be amended or supplemented from time to time, without the consent of, but upon notice to, the holders of the Capital Notes given in accordance with the Capital Note Conditions, to modify the restrictions on and procedures for resales and other transfers of such Capital Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or in practices relating to the resale or transfer of restricted securities generally.

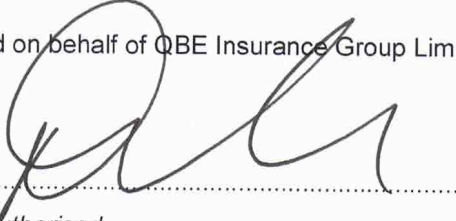
Noteholders shall notify any subsequent purchasers of the Capital Notes of the foregoing transfer restrictions (as may be amended or supplemented from time to time).

THIRD PARTY INFORMATION

Information in relation to Sustainalytics and its opinion in relation to the Capital Notes and the Issuer's Gender Equality Bond Framework has been extracted from the full opinion of Sustainalytics. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by Sustainalytics, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of QBE Insurance Group Limited (ABN 28 008 485 014):

By:



Duly authorised

By:



Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Application has been made by the Issuer (or on its behalf) for the Capital Notes to be admitted to trading on the SGX-ST and the Capital Notes are expected to be listed on the official list of the SGX-ST on or about the Business Day immediately following the Issue Date.

2. RATINGS

Ratings: The Capital Notes are expected to be rated:

Moody's: ~~Baa3~~[Baa2](#)

Fitch: BBB-

3. OPERATIONAL INFORMATION

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| (i) | ISIN: | XS1707749229 |
| (ii) | Common Code: | 170774922 |
| (iii) | Clearing system(s): | Euroclear and Clearstream, Luxembourg |
| (iv) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg, DTC and Austraclear, and the relevant identification number(s): | Not Applicable |
| (v) | Delivery: | Delivery against payment |
| (vi) | Name(s) and address(es) of additional Paying Agent(s) (if any): | Not Applicable |
| (vii) | Deemed delivery of clearing system notices for the purposes of Condition 17: | Any notice delivered to Noteholders through Euroclear and/or Clearstream, Luxembourg will be deemed to have been given on the second business day after the day on which it was given to Euroclear and Clearstream, Luxembourg |
| (viii) | Intended to be held in a manner which would allow Eurosystem eligibility: | No. Capital Notes will not be Eurosystem eligible. |

4. DISTRIBUTION

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| (i) | Method of distribution: | Syndicated |
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| (ii) | Name(s) and address(es) of Manager(s) / relevant Dealer and underwriting commitment(s): | <p><i>Joint Structurer, Lead Manager, Bookrunner and Stabilising Manager</i></p> <p>Morgan Stanley & Co. International plc, 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom</p> <p><i>Bookrunners and Managers</i></p> <p>Crédit Agricole Corporate and Investment Bank, 12, Place des Etats-Unis, CS 70052, 92547 MONTRouGE CEDEX, France</p> <p>HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom</p> |
| (iii) | Date of Subscription Agreement: | 9 November 2017 |
| (iv) | U.S. Selling Restrictions (Categories of potential investors to which the Capital Notes are offered): | Rule 144A / Reg. S Compliance Category 2 |

5. USE OF PROCEEDS

The Issuer expects to use the proceeds of issuance of the Capital Notes to finance or refinance investments in qualifying bonds that are eligible as per the criteria in accordance with the Issuer's Gender Equality Bond Framework. For the definition of "Gender Equality Bond Framework" and further information about the use of proceeds please see the Additional Disclosure – Gender Equality Bond Framework below.

6. ADDITIONAL DISCLOSURE – OFFERING CIRCULAR

~~(a) Group Chief Executive Officer Succession: On 12 September 2017, the Issuer announced that John Neal, Group Chief Executive Officer, will be stepping down after five years in the role. John will be stepping down from the role of Group Chief Executive Officer effective from 31 December 2017. The Issuer's Board of Directors has appointed Pat Regan, Chief Executive Officer, Australian & New Zealand Operations and previously Group Chief Financial Officer, to succeed John on 1 January 2018, with a four month leadership transition.~~

~~Pat Regan joined the Issuer in 2014 as Group Chief Financial Officer and the Issuer announced on 12 December 2016 that he was appointed to the role of Chief Executive Officer, Australia & New Zealand Operations. Prior to joining the Issuer, he was Chief Financial Officer at Aviva plc in London (2010 to 2014), Group Chief Operating Officer and Chief Financial Officer at Willis Group Holdings (2006 to 2010), Group Financial Controller at Royal & Sun Alliance (2004 to 2006) and AXA SA's Finance and Claims Director for the UK General Insurance business (2001 to 2004). He has also held senior positions at GE Capital Bank, GE Global Consumer Finance and Grant Thornton.~~

(a) Update to information about the Issuer: [For information about the Issuer, the Issuer's business and the risks to which it is subject, please refer to the Offering Circular dated 29 April 2020 \(and the documents incorporated by reference therein\), a copy of which is](#)

[available on the website of SGX-ST \(www.sgx.com\)](http://www.sgx.com) and during normal business hours from the registered office of the Issuer and the specified office of the Principal Paying Agent.

- ~~(b) Emerging Markets division to revert to two separately managed divisions:~~ On 17 August 2017, the Issuer announced that to improve regional focus, its Emerging Markets division is reverting to two separately managed divisions in Asia Pacific and Latin America. A detailed review has been undertaken to determine the remediation activities required to improve underwriting performance in the second half of 2017 and beyond. In addition to the tightening of underwriting controls and discipline, improved pricing models are being introduced, enhanced reinsurance protections considered and cost reduction plans implemented.
- ~~(eb) Merger of The Bank of New York Mellon (Luxembourg) S.A. into The Bank of New York Mellon SA/NV:~~ The Issuer has received notice that with effect from 1 April 2017, The Bank of New York Mellon (Luxembourg) S.A. has merged into The Bank of New York Mellon SA/NV, and that The Bank of New York Mellon SA/NV, Luxembourg Branch has thereby succeeded to the position of Registrar and Transfer Agent under the Euro Agency Agreement in respect of the Programme. All references to the Registrar and Transfer Agent in the Offering Circular (and any documents incorporated by reference therein) and the Available Documents shall be read accordingly.
- ~~(d) Update to Directors disclosure on page 54 of the Offering Circular:~~ In September 2016, Kathryn (Kathy) Lisson was appointed an independent non-executive director of the Board. She is Chairman of the Operations and Technology Committee, and a member of the Audit Committee. Until 2016, Kathy was a partner at Ernst & Young LLP, where she led the firm's Canadian Insurance Advisory practice, and before that she was the COO for QBE European Operations. Previously, Kathy held senior roles at Price Waterhouse and Bank of Montreal in Canada, and at Barclays Bank and Brit Insurance Holdings in the UK.
- In November 2016, Michael (Mike) Wilkins was appointed an independent non-executive director of the Board. Mike is a member of the Audit, Remuneration, and Operations and Technology Committees. He was the Managing Director and CEO of Insurance Australia Group Limited until November 2015. He has more than 30 years of experience in financial services, including serving as Managing Director and CEO of Promina Group Limited and Managing Director of Tyndall Australia Limited. He is currently a non-executive director of AMP Limited and has formerly held non-executive roles at Maple Brown Abbott Limited and Alinta Limited.
- On 30 March 2017, QBE announced that Margaret Leung was retiring, effective immediately.
- ~~(e) Update to Key executive officers disclosure on page 55 of the Offering Circular:~~ On 2 May 2016, the Issuer announced that Mr Russell Johnston would replace Mr David Duclos as the Chief Executive Officer of the North American operations of the Group from 31 May 2016. Mr Johnston has more than 25 years' experience in the insurance industry in North America, and has held a range of senior business and operational roles since joining American International

~~Group Inc (AIG) in 1990. From 2011 to November 2015 Mr Johnston was President of AIG Casualty in the Americas, with responsibility for all AIG's US, Canada, Bermuda and London-based US Casualty underwriter.~~

~~On 17 August 2016, the Issuer announced that Tim Plant, the Chief Executive Officer, Australian & New Zealand Operations, had left the organisation. On 12 December 2016, the Issuer announced that Pat Regan had been appointed Chief Executive Officer, Australian & New Zealand Operations.~~

~~On 6 October 2016, the Issuer announced that Jenni Smith was leaving at the end of 2016. She was succeeded by Margaret Murphy, who joined QBE in October 2016 in the role of Group Chief Human Resources Officer. Prior to this, she was the Chief of Staff to the Group HR Director at Barclays plc. After starting her career with the London Underground, Margaret worked with companies including Inchcape, BAT and J Sainsbury before spending 10 years working for Barclays. Her penultimate role at Barclays was as HR Director for Global Functions, where she led a team of 70 HR professionals providing services to over 14,000 people.~~

~~On 9 February 2017, the Issuer announced that the Group's Chief Operations Officer, Colin Fagen, ceased employment, effective immediately.~~

~~On 27 February 2017, the Issuer announced that David McMillan had been appointed Group Chief Operations Officer. He was previously Chief Executive Officer, Aviva Europe and Chairman of Global Health Insurance. He commenced his role in September 2017.~~

~~On 25 May 2017, the Issuer announced that Michael Ford had been appointed Group Chief Financial Officer. He was previously the Deputy Chief Financial Officer for Commonwealth Bank of Australia (CBA). He joined CBA in 2005 and held a number of senior finance roles before his appointment as Deputy Chief Financial Officer of CBA in 2011. Prior to this, he held senior roles at MLC, National Australia Bank's wealth management division and Lendlease Group. He commenced his role in September 2017.~~

~~On 17 August 2017, the Issuer announced that David Fried will step down from his current role as CEO of Emerging Markets but will continue to support the Issuer in a strategic advisory capacity to facilitate the transition to two separate divisions. Jason Brown (currently Group Chief Risk Officer) and Carola Fratini (currently CEO of Argentina) have been appointed as the new CEOs of Asia Pacific and Latin America respectively.~~

~~(f) — Ogden Discount Rate decision:~~

~~On 27 February 2017, the UK Ministry of Justice announced a reduction in the statutory discount rate for use in the determination of lump sum payments in relation to UK personal injury claims (Ogden tables).~~

~~Adoption of the revised statutory rate of 0.75% has resulted in a one-off increase in the Group's net central estimate of outstanding claims liabilities of USD154 million~~

and a related USD2 million reinsurance charge.

~~(g) Update to A downgrade in ratings may negatively impact business and borrowing in the capital markets disclosure on pages 26-27 of the Offering Circular:~~

~~On 11 May 2016, S&P Global Ratings (“S&P”) revised the rating outlook on the Issuer, the Issuer’s core operating entities and other subsidiaries⁴ to “Positive” from “Stable”. At the same time, S&P affirmed the ‘A+’ financial strength ratings (FSR) on the Issuer’s core operating companies and ‘A-’ issuer credit rating (ICR) on the Issuer. On 11 October 2017, S&P again affirmed the ‘A+’ financial strength ratings (FSR) on the Issuer’s core operating companies and ‘A-’ issuer credit rating (ICR) on the Issuer and the existing “Positive” rating outlook on the Issuer’s core operating entities and other subsidiaries has also been maintained.~~

~~On 13 July 2017, A.M Best upgraded the Issuer’s long-term issuer credit rating from bbb to bbb+. On 20 July 2017, Fitch Rating’s revised the Issuer’s outlook from “stable” to “positive”. Additionally on 31 July 2017, Moody’s Investors Service initiated coverage on a number of the Issuer’s core operating subsidiaries assigning a rating of A1 “stable”.~~

~~(h) List of Subordinated Notes:~~

~~As at 30 June 2017, the Group had the following subordinated debt outstanding:~~

Final Maturity Date	Principal Amount	Outstanding Amount
29 September 2040	AUD200m	USD153m
24 May 2041	USD167m	USD167m
24 May 2041	GBP27m (2016 GBP34m)	USD35m
24 May 2042	GBP327m	USD384m
24 November 2043	USD400m	USD400m
2 December 2044	USD700m	USD696m
12 November 2045	USD300m	USD300m
17 June 2046	USD524m	USD457m

~~(i) Update to Subordinated Notes and Capital Notes are subject to mandatory Conversion or Write-off in the event of the non-viability of the Issuer—Conversion option disclosure on page 40 of the Offering Circular:~~

~~The reference to “20 relevant business days” in the fifth line of paragraph (b) shall be read as a reference to “5 relevant business days”.~~

~~(j)c) Update to Subordinated Notes and Capital Notes are subject to early optional redemption if a Tax Event or Regulatory Event~~

~~The Issuer will be entitled to redeem Capital Notes as a whole or in part (subject to APRA’s prior written approval) if a Tax Event or Regulatory Event occurs.~~

⁴ The Standard & Poor’s Insurer Financial Strength rating and outlook for the Issuer’s Lenders Mortgage Insurance subsidiaries remain unchanged.

occurs disclosure on page 44 of the Offering Circular:

- (k) ~~Update to *Risks Relating to the Legal and Regulatory Landscape — Prudential regulation* disclosure on pages 45–46 of the Offering Circular:~~ A Bill has been introduced into the Commonwealth Parliament which, if passed, is intended to enhance APRA's crisis resolution powers. Broadly, the bill includes provisions which, if passed into law by the Commonwealth Parliament, will include the Issuer among the types of entities to which APRA may appoint a statutory manager in the event of financial difficulty or in the event its financial position seriously deteriorates and increases APRA's powers to give directions to the Issuer. The bill also provides that the exercise of these powers does not give rise to termination rights, and prevents certain enforcement action from being taken in relation to the Issuer if it becomes subject to the exercise of the powers.
- (l) ~~Update to *Australian Taxation — Other tax matters — (e) ABN/TFN withholding tax* disclosure on page 219 of the Offering Circular:~~ A Bill has been introduced into the Commonwealth Parliament which, if passed, would increase the rate of ABN/TFN withholding tax to 47.5% from 1 July 2019.
- (m) ~~Increase of large individual risk and catastrophe claims allowance:~~ On 3 October 2017, the Issuer announced that Cyclone Debbie in Australia earlier this year, Hurricanes Harvey, Irma and Maria which impacted the Gulf of Mexico, the Caribbean and Florida as well as the earthquakes in Mexico have all impacted QBE's businesses. While there remains a high degree of uncertainty for the estimated cost of Harvey, Irma, Maria and the Mexican earthquakes, the Group has increased its 2017 allowance for large individual risk and catastrophe claims to USD1.75 billion including allowances for large individual risk and catastrophe claims in the fourth quarter of 2017. There is therefore a pre-tax impact to earnings of approximately USD600 million. Reflecting the above, the Group's 2017 combined operating ratio target range now moves to 100.0%-102.0%.^{2,3}
- (n) ~~Update on Brexit:~~ The arrangements to be put in place between the United Kingdom (UK) and the European Union (EU) following the UK referendum vote to leave the EU (known as "Brexit") are currently still the subject of negotiation and the outcome remains uncertain. The Issuer has plans that are well advanced to establish a Belgian entity to write the Issuer's European business so as to ensure continuity for the Issuer's business partners and customers in a post-Brexit Europe (the Issuer's European Operations will remain headquartered in London). The Issuer's plans are progressing as expected and it should be able to provide more detail with the release of its full 2017 results.

² Excludes the impact of changes in the risk-free rates used to discount net outstanding claims.

³ Excludes a USD156 million one-off adverse impact on the Group's underwriting result due to the Ogden decision in the UK (refer to paragraph 6(f) of this section for details).

7. ADDITIONAL DISCLOSURE – GENDER EQUALITY BOND FRAMEWORK

- (a) The Issuer's Gender Equality Bond Framework: The Issuer has developed a gender equality bond framework to guide the issuance of notes (including the Capital Notes), to further its commitment to sustainability and to finance or refinance investments in qualifying bonds that are eligible as per the criteria defined below ("**Gender Equality Bond Framework**"). The Issuer's Gender Equality Bond Framework is available on the Group's website at <https://www.group.qbe.com/corporate-governance/background-documents>. Notes issued in accordance with the Gender Equality Bond Framework are referred to as "**QBE Gender Equality Bonds**".
- (b) Opinion on the Issuer's Gender Equality Bond Framework and social credentials: Sustainalytics Australia Pty. Ltd., ("**Sustainalytics**"), a provider of environmental, social and governance (ESG) research and analysis, has evaluated the Issuer's gender equality bond transaction set forth in this Pricing Supplement and the alignment thereof with relevant industry standards, and has provided views on the robustness and credibility of the QBE Gender Equality Bonds within the meaning of the International Capital Market Association's Social Bond Principles 2017 ("**ICMA SBP**").
- Sustainalytics is of the opinion that the Issuer's Gender Equality Bond Framework aligns with the spirit of the four pillars of the ICMA SBP.
- The full opinion of Sustainalytics is available on the website of Sustainalytics at <http://www.sustainalytics.com/green-social-bond-services/#bondprojects>.
- (c) Use of proceeds: The Issuer's Gender Equality Bond Framework provides that proceeds of any QBE Gender Equality Bond will be allocated towards financing or refinancing investments in qualifying bonds that are eligible as per the criteria defined below.
- (d) Eligibility and exclusionary criteria: The Issuer's Gender Equality Bond Framework provides for a series of eligibility criteria which set out the types of companies whose bonds the Issuer intends to finance or refinance using proceeds of issuance of QBE Gender Equality Bonds. The eligibility criteria provide that the companies whose bonds are to be financed or refinanced should be:
- a signatory to the United Nations Women's Empowerment Principles; and
 - recognised as one of the top 200 ranked companies in the Equileap 2017 Gender Equality Global Report and Ranking.
- The Issuer's Gender Equality Bond Framework also provides for a list of exclusionary criteria which set out the types of projects or activities which the Issuer intends not to knowingly be involved in through the proceeds of issuance of any QBE Gender Equality Bond.
- Further information can be found in the Issuer's Gender

Equality Bond Framework.

- (e) Evaluation, selection, portfolio management and tracking, and reporting: The Issuer's Gender Equality Bond Framework provides detail on the processes the Issuer and the Group expect to utilise to evaluate and select bonds from companies that meet the Issuer's Gender Equality Bond eligibility and exclusionary criteria to finance or refinance through the proceeds of issuance of QBE Gender Equality Bonds.
- The Issuer's Gender Equality Bond Framework also describes the procedures the Issuer and the Group intend to use to track the use of proceeds of QBE Gender Equality Bonds, and how the Issuer expects to report on the use of proceeds.
- (f) Credit of the Capital Notes: Capital Notes are general obligations of the Issuer in the form of Capital Notes. As such, obligations of the Issuer in respect of the Capital Notes rank equally with each other Series of Capital Notes of the Issuer and each other obligation ranking equally with them under and in accordance with Condition 1. **Repayment of, or payment of interest on, the Capital Notes is not linked to the credit or the performance of any underlying qualifying bond financed or refinanced by the proceeds of issuance in any way.**
- (g) Non-compliance and withdrawal of opinion: Although, as at the date of this Pricing Supplement, the Issuer expects to acquire and retain an interest in qualifying bonds having a market value equal to or greater than the principal amount of the Capital Notes in accordance with the Issuer's Gender Equality Bond Framework, the Issuer does not covenant to ensure that the Capital Notes continue to comply with the Gender Equality Bond Framework. **There can be no assurance that the Issuer will retain an interest in sufficient eligible qualifying bonds to allocate fully towards the principal amount of the Capital Notes or that the compliance of the Capital Notes with the Issuer's Gender Equality Bond Framework will otherwise be ongoing or that the opinion of Sustainalytics in respect of the Gender Equality Bond Framework or the QBE Gender Equality Bonds (including the Capital Notes) will not be withdrawn.**
- Further, the Capital Notes are expected to comply with the version of the Issuer's Gender Equality Bond Framework as at the date specified at the start of this Pricing Supplement. If the Gender Equality Bond Framework is amended, updated, replaced or re-issued as a new version, the Capital Notes may no longer comply with the Gender Equality Bond Framework as so amended, updated, replaced or re-issued. The Issuer has no obligation to act so as to ensure compliance with any such amended, updated, replaced or re-issued Gender Equality Bond Framework.
- Investors should note that in no circumstances will any failure to comply with the Gender Equality Bond Framework or any withdrawal of any opinion with respect to the Gender Equality Bond Framework or the Capital Notes for any reason, or any failure of any financed or refinanced qualifying bond to comply with the Issuer's

Gender Equality Bond Framework, any eligibility criteria or any standards, constitute any default other breach (howsoever described) of the Conditions. Without limitation, holders of such Capital Notes will have no right whatsoever to require early redemption of the Capital Notes in these circumstances. Further, non-compliance or withdrawal of any opinion or any non-compliance with any eligibility criteria does not of itself entitle the Issuer to redeem the Capital Notes. However, non-compliance or withdrawal of certification does not relieve the Issuer from its obligations to make scheduled payments in connection with the Capital Notes in accordance with the Conditions.

If the Capital Notes cease to comply with the Issuer's Gender Equality Bond Framework or the Issuer receives actual notice from Sustainalytics that its opinion in respect of the Issuer's Gender Equality Bond Framework has been withdrawn, the Issuer will notify Noteholders of that fact as soon as reasonably practicable after it becomes aware of such non-compliance or receipt of the relevant notice (as applicable), provided, however, that any failure to do so shall not constitute a default, or otherwise permit redemption at the option of the Noteholders. Investors should note that there is no recourse to the Issuer in these circumstances.

- (h) No representation, guarantee or support:

An opinion of Sustainalytics in respect of the Issuer's Gender Equality Bond Framework or any Gender Equality Bond (including the Capital Notes) is not a recommendation to purchase, hold or sell any Capital Notes. The Gender Equality Bond Framework is not a financial standard and is not a substitute for financial due diligence - the obligation to conduct this due diligence remains with the investor as it does for other investments. Sustainalytics does not guarantee, or otherwise stand behind, the Capital Notes.

The opinion of Sustainalytics is based solely on the Gender Equality Bond Framework and the materials referred to in that opinion and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Capital Notes or any financed or refinanced qualifying bonds including but not limited to the Offering Circular, the transaction documents, the Issuer or the management of the Issuer.

The opinion of Sustainalytics was addressed solely to the Issuer and is not a recommendation to any person to purchase, hold or sell the Capital Notes and such opinion does not address the market price or suitability of the Capital Notes for a particular investor. The opinion also does not address the merits of the decision by the Issuer or any third party to finance or refinance any particular qualifying bond and does not express and should not be deemed to be an expression of an opinion as to the Issuer or any aspect of any qualifying bond (including but not limited to the financial viability of the Issuer or any qualifying bond).

In issuing or monitoring, as applicable, the opinion, Sustainalytics has assumed and relied upon and will assume and rely upon the accuracy and completeness in

all material respects of the information supplied or otherwise made available to it. Sustainalytics does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any financed or refinanced qualifying bond or the Issuer. The opinion of Sustainalytics does not and is not in any way intended to address the likelihood of timely payment of interest when due on the Capital Notes and/or the payment of principal.

The opinion of Sustainalytics may be withdrawn at any time in Sustainalytics's sole and absolute discretion and there can be no assurance that such opinion will not be withdrawn.

The Issuer does not, and does not intend to, make any representation or give any assurance with respect to the Gender Equality Bond Framework. The Issuer also cannot and does not give any assurance in relation to the actual social-based impact of the Capital Notes, of any financed or refinanced qualifying bond or of the Gender Equality Bond Framework generally.

8. U.S. TRANSFER RESTRICTIONS

THIS CAPITAL NOTE (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OF AMERICA (THE "UNITED STATES"). NEITHER THIS CAPITAL NOTE NOR ANY PORTION THEREOF MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AND IN ACCORDANCE WITH AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. EACH PURCHASER OF THIS CAPITAL NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS CAPITAL NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

BY ITS ACQUISITION HEREOF, THE HOLDER OF THIS CAPITAL NOTE (OR ANY PORTION THEREOF) (A) REPRESENTS THAT IT HAS ACQUIRED THIS CAPITAL NOTE IN A TRANSACTION NOT SUBJECT TO OR OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED; (B) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED THIS CAPITAL NOTE (OR ANY PORTION THEREOF) THAT IT WILL NOT OFFER, RESELL OR OTHERWISE TRANSFER THIS CAPITAL NOTE (OR ANY PORTION THEREOF) PRIOR TO (I) THE DATE THAT IS ONE YEAR AFTER THE LATER OF (a) 16 JULY 2020 AND (b) THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE ISSUER WAS THE OWNER OF THIS CAPITAL NOTE (OR ANY PREDECESSOR OF THIS CAPITAL NOTE) OR (II) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT (1) TO THE ISSUER OR ANY OF ITS SUBSIDIARIES, (2) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A "QUALIFIED INSTITUTIONAL BUYER" IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT (PROVIDED THAT THIS CLAUSE (3) SHALL BE UNAVAILABLE

FOR ANY TRANSFER TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) PRIOR TO THE EXPIRATION OF FORTY DAYS FROM 16 JULY 2020) OR (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), AND, IN ANY CASE, IN COMPLIANCE WITH APPLICABLE LOCAL SECURITIES LAWS; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS CAPITAL NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND (AS MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME).

THIS CAPITAL NOTE AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH CAPITAL NOTES GIVEN IN ACCORDANCE WITH THE CAPITAL NOTE CONDITIONS, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS CAPITAL NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTISES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS CAPITAL NOTE AND ANY OWNER OF A BENEFICIAL INTEREST IN THIS CAPITAL NOTE SHALL BE DEEMED BY THE ACCEPTANCE OF THIS CAPITAL NOTE TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS CAPITAL NOTE AND ANY CAPITAL NOTES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATATION THEREOF IS MADE HEREON.