



NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

IAG opens Share Purchase Plan

IAG is pleased to announce that the Share Purchase Plan (SPP) it announced on Friday 20 November 2020 opens today. Eligible Shareholders now have the opportunity to subscribe for up to \$30,000 of new fully paid IAG ordinary shares (SPP Shares), free of any brokerage or transaction costs.

The SPP follows completion of the \$650 million institutional placement announced by IAG at the same time as the SPP. IAG aims to raise approximately \$100 million under the SPP. Depending on the level of demand, IAG may decide to scale back applications or raise an amount higher than \$100 million. It is IAG's intention that any scaleback will be applied having regard to existing holdings of Eligible Shareholders and the size of the parcel of SPP Shares applied for.

The SPP is expected to close at 5:00pm (Sydney time) on Friday, 18 December 2020.

Further details on the SPP, including how to apply, are set out in the SPP Booklet attached to this announcement, which will be sent to Eligible Shareholders.

Indicative Timetable¹

Event	Date (and time if relevant)
Record Date	7:00pm (Sydney time) on 19 November 2020
Opening Date and dispatch of SPP Booklet	30 November 2020
Closing Date	5:00pm (Sydney time) on 18 December 2020
SPP results announcement	23 December 2020
Issue Date	31 December 2020
SPP Shares commence trading on the ASX	4 January 2021
SPP holding statements dispatched to shareholders	6 January 2021

¹ **Note:** This timetable is indicative only and subject to change. The commencement of trading and quotation of SPP Shares is subject to confirmation from the ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, IAG reserves the right to amend this timetable at any time, including extending the period for the SPP or accepting late applications, either generally or in particular cases, without notice.

Enquiries

For further information about the SPP, call the IAG Information Line on 1300 360 688 (within Australia) or +61 3 9415 4210 (outside Australia), 8.30am – 5.00pm (Sydney time) Monday to Friday.

This release has been authorised by the IAG Managing Director and CEO.

IMPORTANT DISCLAIMER

This announcement contains certain "forward-looking statements" that are based on management's belief, assumptions and expectations and on information currently available to management. These statements can generally be identified by the use of forward-looking words, such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", or "target". Such statements may be based on underlying assumptions (which could prove incorrect or may be subject to change) and are subject to the risks disclosed in the Investor Presentation lodged with the ASX on Friday 20 November 2020. You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant uncertainty and disruption caused by the COVID-19 pandemic. This announcement does not take into account the financial position, needs or circumstances of investors. You are encouraged to seek independent advice.

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities (including the SPP Shares) in the United States or any other jurisdiction in which such an offer would be illegal. The SPP Shares to be offered and sold under the SPP have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States or to any person that is acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States). All \$ references are to Australian dollars.

About IAG

IAG is the parent company of a general insurance group (the Group) with controlled operations in Australia and New Zealand. The Group's businesses underwrite over \$12 billion of premium per annum, selling insurance under many leading brands, including: NRMA Insurance, CGU, SGIO, SGIC, Swann Insurance and WFI (Australia); and NZI, State, AMI and Lumley (New Zealand). IAG also has an interest in a general insurance joint venture in Malaysia. For further information, please visit www.iag.com.au.

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Share Purchase Plan (SPP)

Insurance Australia Group Limited
(ABN 60 090 739 923)

30 November 2020

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Personal Use Only



Key Dates

Event	Date (and time if relevant)
Record Date	7:00pm (Sydney time) on 19 November 2020
Opening Date and dispatch of this SPP Booklet	10:00am (Sydney time) on 30 November 2020
Closing Date	5:00pm (Sydney time) on 18 December 2020
SPP results announcement	23 December 2020
Issue Date	31 December 2020
SPP Shares commence trading on ASX	4 January 2021
SPP holding statements dispatched to shareholders	6 January 2021

Note: This timetable is indicative only and subject to change. The commencement of trading and quotation of SPP Shares is subject to confirmation from the ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, IAG reserves the right to amend this timetable at any time, including extending the period for the SPP or accepting late applications, either generally or in particular cases, without notice.

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Important Notices

This SPP Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. The information in this SPP Booklet is not investment advice or a recommendation to acquire SPP Shares and has been prepared without taking into account your investment objectives, financial circumstances or particular needs (including financial and taxation considerations) as an investor. It is recommended that you read the entire SPP Booklet and seek professional investment advice from your financial adviser or other professional adviser before deciding whether to apply for SPP Shares.

A cooling-off regime does not apply in relation to the acquisition of SPP Shares. You cannot withdraw your Application once it has been submitted.

By submitting your Application, you are accepting the risk that the market price of Shares may change between the date you submit your Application and the Issue Date. This means it is possible that, between the time you make your Application and up to or after the Issue Date, you may be able to buy Shares on market at a lower price than the Issue Price.

IAG will not issue SPP Shares to an applicant if those SPP Shares, either alone or in conjunction with the issue of SPP Shares under other Applications received by IAG, would contravene any law or the ASX Listing Rules. All amounts are in Australian dollars unless otherwise explicitly stated.

Capitalised terms in this SPP Booklet have the meaning given to them in the Glossary unless the context requires otherwise.

Not for distribution or release in the United States

This SPP Booklet does not constitute an offer of securities in any place outside Australia or New Zealand. In particular, this SPP Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any Shares in the United States or in any other jurisdiction in which such an offer would be illegal. The SPP Shares to be offered and sold under the SPP have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States). The SPP Shares will only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

How to Apply

If you would like to apply to participate in the SPP, please visit IAG's website at www.iag.com.au or follow the instructions on the enclosed Application Form. You must:

- submit a BPAY® payment, if an Eligible Shareholder with a registered address in Australia; or
- pay by direct transfer, if you are an Eligible Shareholder with a registered address in New Zealand and cannot make payment by BPAY®

in accordance with the instructions shown through IAG's website and outlined in this SPP Booklet and Application Form.

You can make a payment by BPAY® or direct transfer (as applicable) equivalent to the dollar amount of the Parcel you wish to apply for. To do this, you must use the Biller Code (in the case of payment by BPAY®) and unique reference number shown on your personalised Application Form.

If you decide to participate, when you make your payment with BPAY® or direct transfer (as applicable) you do not need to return your Application Form.

The SPP Offer closes on the Closing Date (expected to be 5:00pm (Sydney time) on 18 December 2020). If you wish to participate, you should ensure that the Registrar receives your Application payment by the Closing Date.

You will not be able to withdraw or modify your Application payment once you have submitted it. Interest will not be paid on any Application monies received.

Chairman's Letter

30 November 2020

IAG Share Purchase Plan

Dear Shareholder

On behalf of the Board of Insurance Australia Group Limited, I am pleased to offer you the opportunity to participate in IAG's Share Purchase Plan (SPP). The SPP provides eligible shareholders with an opportunity to apply for up to \$30,000 worth of fully paid ordinary IAG shares. Participation is optional.

Shares purchased under the SPP will be priced the same as, or lower than, Shares issued under the institutional Placement announced on 20 November 2020 and will be free of brokerage or transaction costs.

IAG aims to raise approximately \$100 million under the SPP. Depending on the level of demand, Applications may be scaled back, or an amount higher than \$100 million may be raised, at IAG's discretion.

The decision to raise capital follows the judgment delivered by the Supreme Court of New South Wales Court of Appeal on 18 November 2020 in the business interruption insurance test case. In a unanimous decision, the court determined that policy pandemic exclusions referring to the Quarantine Act and subsequent amendments are not effective to exclude cover for losses associated with COVID-19. A detailed assessment of IAG's underwriting exposure at 31 October 2020 estimates a post-tax provision of approximately \$865 million is required to reflect the potential impact of the NSWCA judgment.

Details of this ruling were contained in the announcements made by IAG to the ASX on 20 November 2020. IAG is raising capital via this SPP and the \$650 million institutional Placement which completed on 23 November 2020, to maintain its capital position above the upper end of its Common Equity Tier 1 target.


To be eligible to participate in the SPP, you must be an Eligible Shareholder (as defined in this SPP Booklet) and have been a registered holder of Shares at the Record Date (7pm Sydney time on 19 November 2020). Details of the SPP Offer are set out in this SPP Booklet. Shareholders in the United States are not eligible to participate in the SPP.

Please ensure that the Registrar receives your Application payment by the Closing Date (expected to be 5pm (Sydney time) on 18 December 2020).

This SPP Booklet sets out the details and terms and conditions of the SPP. I encourage you to read it carefully and in full, and to seek your own financial and taxation advice about the SPP Offer, before deciding whether to participate. If you have any additional questions you can visit IAG's website or call IAG's SPP Information Line using the details set out in the Corporate Directory at the back of this SPP Booklet.

On behalf of the Board of IAG, I thank you for your continued support and invite you to consider participating in the SPP.

Yours sincerely



Elizabeth Bryan AM
Chairman

Summary of SPP Offer

Eligible Shareholders	Registered holders of Shares at 7:00pm (Sydney time) on 19 November 2020 with a registered address in Australia or New Zealand that are not in the United States and are not acting for the account or benefit of a person in the United States (or, in the event that such holder does act for the account or benefit of a person in the United States, it is not participating in the SPP in respect of that person).
Application amount	Eligible Shareholders can apply for a Parcel of SPP Shares, up to an aggregate of \$30,000 across all their holdings, regardless of how many Shares they currently hold. Applications for Parcels are only permitted to have an Australian dollar value of \$1,000, \$5,000, \$10,000, \$15,000, \$20,000 or \$30,000.
Issue Price	The Issue Price per SPP Share is the lower of: <ul style="list-style-type: none"> • \$5.05, being the same price paid by institutional investors under the Placement; and • the VWAP of Shares traded on the ASX during the five trading days up to, and including, the Closing Date (expected to be 18 December 2020), less a 2% discount, rounded to the nearest cent.
Ranking of SPP Shares	SPP Shares will rank equally with existing Shares after the commencement of trading.
Scaleback	IAG has absolute discretion to scale back Applications depending on demand. In the event of a Scaleback, the value of shares allocated to you may be less than the Parcel you initially applied for. If this occurs, any excess money will be refunded to you. It is IAG's intention that any Scaleback will be applied having regard to existing holdings of Eligible Shareholders and the size of the Parcel applied for. We expect to announce the final outcome of the SPP, including any Scaleback, on 23 December 2020.
Refunds	Any refunds will be made as soon as practical after Issue Date. No interest will be paid on any money refunded.
When to apply	The SPP Offer opens at 10:00am (Sydney time) on 30 November 2020 and is expected to close at 5:00pm (Sydney time) on 18 December 2020.
Issue Date of SPP Shares	SPP Shares are expected to be issued on 31 December 2020.
Dispatch of holding statements for SPP Shares and commencement of trading of SPP Shares	It is expected that SPP Shares will commence trading on the ASX on 4 January 2021 and that holding statements for SPP Shares will be dispatched to shareholders on 6 January 2021.

Full details of the offer are available elsewhere in this SPP Booklet and through www.iag.com.au.

Frequently Asked Questions

1 What is the SPP?

The SPP is a share purchase plan offer by IAG to Eligible Shareholders to apply for up to \$30,000 worth of Shares at the Issue Price without paying any brokerage or transaction costs.

2 How much is IAG targeting to raise under the SPP?

IAG is targeting to raise approximately \$100 million under the SPP, with the ability to scale back Applications should it receive demand above that target or to issue a higher amount above the target, at its absolute discretion (and, if a higher amount is issued, to either accept Applications in full or scale back Applications, at its absolute discretion).

3 Who is eligible to participate in the SPP?

An Eligible Shareholder is a registered holder of Shares at the Record Date (being 7pm (Sydney time) on 19 November 2020) and who is shown on the Register to have an address in Australia or New Zealand.

Shareholders who hold Shares on behalf of, or are acting for the account or benefit of, persons who reside outside of Australia or New Zealand (including persons who are in the United States) are not eligible to participate in the SPP on behalf of those persons.

4 What is the Issue Price of the SPP Shares?

The Issue Price per SPP Share is the lesser of:

- \$5.05, being the same price paid by institutional investors under the Placement; and
- the VWAP of Shares traded on the ASX during the 5 trading days up to, and including, the Closing Date (expected to be 18 December 2020), less a 2% discount, rounded to the nearest cent.

On each of the five trading days up to, and including, the Closing Date, the daily VWAP will be made available through the IAG website as soon as practical after close of trading each day. The final VWAP will also be provided through the IAG website as soon as practical after the close of the SPP Offer.

5 What costs are associated with the SPP?

There are no brokerage or transaction costs payable by Eligible Shareholders in relation to the application for, and the issue of, SPP Shares.

6 Do I have to participate in the SPP?

No. Participation in the SPP is optional. If you do not wish to participate in the SPP, no action is required on your part.

To decide if you would like to participate in the SPP, IAG recommends you seek professional investment advice from your financial adviser or other professional adviser, and you monitor the market price of Shares (which is quoted on the ASX website at www.asx.com.au). This SPP Booklet does not purport to contain all of the information that you may need to make an investment decision.

7 What is the market price of Shares?

The market price of Shares can be obtained from the ASX's website (www.asx.com.au) by searching for the ASX code "IAG".

8 What do I do if I am a Custodian?

If you wish to apply as a Custodian to receive SPP Shares for one or more Eligible Beneficiaries, you must complete and submit an additional Custodian Certificate before your Application will be accepted. By applying as a Custodian on behalf of Eligible Beneficiaries to purchase SPP Shares, you certify (among other things) that each Eligible Beneficiary has not applied for an amount exceeding \$30,000 across all of their holdings. Each Custodian will need to determine for itself whether its beneficiaries are Eligible Beneficiaries.

Custodians may not participate in the SPP on behalf of any person in the United States or any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States) and may not distribute this SPP Booklet or any other document relating to the SPP to any person in the United States or any person acting for the account or benefit of a person in the United States. In the event that a Custodian or nominee is acting for the account or benefit of a person in the United States, it is not permitted to participate in respect of that person. Failure to comply with these restrictions may result in violations of applicable securities laws.

9 Can my offer under the SPP be transferred to a third party?

No. Under the SPP Offer, you cannot transfer your offer to apply for SPP Shares to anyone else.

10 How much can I invest under the SPP?

If you are an Eligible Shareholder, you may apply for up to a total of \$30,000 worth of SPP Shares across all your holdings in the Parcel values specified by IAG in the Application Form.

11 What will happen if IAG scales back Applications?

If IAG in its absolute discretion scales back Applications, you may receive fewer SPP Shares than the Parcel of SPP Shares for which you have applied. Should this happen, the difference between the value of SPP Shares issued to you (calculated using the Issue Price) and the Application payment you made will be refunded to you, without interest.

If a refund is made for shareholders whose dividends are paid in Australian or New Zealand dollars, payment will be made in the same manner that IAG's dividends are paid. This will be by direct deposit to a bank account, according to your instructions held by the Registrar, at the time the payment is made. Refunds will be made as soon as practical after the SPP closes but likely to be around 6 January 2021.

12 Will I receive notification of my issue?

Yes. The Registrar will send you confirmation of your allotment on or around 6 January 2021 which will include details of the number of SPP Shares issued to you and the Issue Price of the SPP Shares.

IAG expects to announce the results of the SPP on ASX on or around 23 December 2020, including whether any Scaleback has been applied.

You are responsible for confirming your allocation of SPP Shares before trading SPP Shares to avoid the risk of selling SPP Shares you do not own.

13 Can I withdraw my Application (e.g. if the market price of Shares falls after submitting my Application?)

No. Once submitted, your Application is irrevocable and may not be withdrawn even if the market price of Shares is less than the Issue Price.

By submitting your Application, you are accepting the risk that the market price of Shares may change between the date on which you submit your Application and the Issue Date. This means that, up to or after the Issue Date, you may be able to buy Shares on market at a lower price than the Issue Price.

14 What do I do if I receive more than one Application Form by post or email?

Eligible Shareholders may receive more than one Application Form under the SPP because, for example, they hold Shares in more than one capacity or in different registered holdings. In this instance, Eligible Shareholders may apply using different Application Forms for SPP Shares but may not apply for SPP Shares with a total dollar amount exceeding \$30,000 across all of their holdings.

15 What rights will the SPP Shares have?

From the Issue Date, SPP Shares will rank equally with existing Shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements.

16 Where can I obtain more information on the risks associated with IAG and holding Shares?

There are various risks associated with investments in the Shares. Please refer to IAG's ASX announcements, the investor presentation published by IAG on 20 November 2020 and the 2020 Annual Report published by IAG on 7 August 2020 for further information on risks relating to IAG and an investment in the Shares. These documents can be obtained from the ASX's website (www.asx.com.au) or IAG's website at www.iag.com.au.

17 Where can I obtain more information on the SPP?

If you have any further questions you can call IAG's SPP Information Line or visit IAG's website (see the Corporate Directory at the back of this SPP Booklet).

SPP

Terms and Conditions

Important Notice

Please read these terms and conditions carefully as you will be bound by them if you apply for SPP Shares. Eligible Shareholders whose Applications are accepted will also be bound by IAG's Constitution which is available on IAG's website at <https://www.iag.com.au/about-us/corporate-governance/codes-and-policies>. All amounts are in Australian dollars unless otherwise advised.

1 Offer

- (a) IAG offers each Eligible Shareholder the opportunity to apply for specific Parcels of up to \$30,000 worth of SPP Shares under the SPP subject to and in accordance with these SPP Terms and Conditions (the **SPP Offer**).
- (b) The SPP Offer opens at 10:00am (Sydney time) on 30 November 2020 and closes on the Closing Date (expected to be 5:00pm (Sydney time) on 18 December 2020).
- (c) The SPP Offer is made in Australia under and in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.
- (d) The SPP Offer is made in New Zealand under and in accordance with the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.
- (e) The SPP Offer to each Eligible Shareholder (whether you are a Custodian or you hold Shares on your own account) is made on the same terms and conditions.

2 Eligible Shareholders

- (a) Subject to sections 2(c) to 2(i), all persons registered as holders of Shares at the Record Date, and shown on the Register to have an address in Australia or New Zealand, may participate in the SPP, provided that such holders are not in the United States and are not acting for the account or benefit of a person in the United States (or, in the event that such holder does act for the account or benefit of a person in the United States, it is not participating in the SPP in respect of that person) (referred to as **Eligible Shareholders**).

- (b) Directors and employees of IAG are entitled to participate in the SPP if they are Eligible Shareholders.
- (c) Shareholders who hold Shares on behalf of, or are acting for the account or benefit of, persons who reside outside Australia or New Zealand (including persons in the United States) are not entitled to participate in the SPP on behalf of those persons.
- (d) Custodians may not participate in the SPP on behalf of any person in the United States or any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States) and may not distribute this SPP Booklet or any other document relating to the SPP to any person in the United States or any person acting for the account or benefit of a person in the United States.
- (e) Consistent with the representations, warranties and acknowledgements contained in section 4 of these SPP Terms and Conditions and the Application Form included with this SPP Booklet, you may not submit any completed Application Forms for any person in the United States or for any person who is acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States). Failure to comply with these restrictions may result in violations of applicable securities laws.
- (f) Shareholders who are joint holders of Shares are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder, and the certification under section 4(a)(viii) by one joint holder will be effective in respect of the other joint holder(s).
- (g) If you are a Custodian, you may apply for up to \$30,000 worth of SPP Shares for each Eligible Beneficiary subject to you annexing to your Application Form a certificate (**Custodian Certificate**)¹ addressed to IAG with the following information as required by ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547:
 - (i) confirmation that:
 - (A) you hold Shares on behalf of one or more other persons (each a **participating beneficiary**) that are not Custodians; and/or

¹ The Custodian Certificate can be obtained by contacting the Registrar on IAG's SPP Information Line (see details in the Corporate Directory at the back of this SPP Booklet).

- (B) a Downstream Custodian holds beneficial interests in Shares on behalf of one or more other persons (each a **participating beneficiary**), and you hold the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian;
- (ii) confirmation that each participating beneficiary has subsequently instructed the following persons:
 - (A) where sub-paragraph (i)(A) above applies – you; or
 - (B) where sub-paragraph (i)(B) above applies – the Downstream Custodian,
 to apply for SPP Shares on their behalf under the SPP;
- (iii) the number of participating beneficiaries and their names and addresses;
- (iv) in respect of each participating beneficiary:
 - (A) where sub-paragraph (i)(A) above applies – the number of Shares that you hold on their behalf; or
 - (B) where sub-paragraph (i)(B) above applies – the number of Shares to which the beneficial interests relate;
- (v) in respect of each participating beneficiary:
 - (A) where sub-paragraph (i)(A) above applies – the number or the dollar amount of Shares they have instructed you to apply for on their behalf; or
 - (B) where sub-paragraph (i)(B) above applies – the number or the dollar amount of Shares they have instructed the Downstream Custodian to apply for on their behalf;
- (vi) confirmation that there are no participating beneficiaries for which the total application price for the following exceeds \$30,000:
 - (A) the Shares applied for by you under the SPP in accordance with the instructions referred to in sub-paragraph (v) above; and
 - (B) any other Shares issued to you in the 12 months before the Application as a result of an instruction given by them to you or the Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP;
- (vii) confirmation that a copy of this SPP Booklet was given to each participating beneficiary; and

(viii) where sub-paragraph (i)(B) above applies – the name and address of each Custodian who holds beneficial interests in the Shares held by you in relation to each participating beneficiary.

- (h) If you hold Shares as a trustee or nominee for another person, but are not a Custodian, you cannot participate for beneficiaries in the manner described above. In this case, the rules in section 3(b) apply.
- (i) If you are an Eligible Shareholder, your rights under the SPP Offer are personal to you and you cannot transfer your rights to another person (which means they are non-renounceable).

3 Applying for SPP Shares

- (a) Participation in the SPP is optional. Eligible Shareholders may apply to purchase SPP Shares in a Parcel with a dollar amount of \$1,000, \$5,000, \$10,000, \$15,000, \$20,000 or \$30,000. If you are an Eligible Shareholder and wish to participate in the SPP, you must follow the instructions on the Application Form and make payment using BPAY® or direct transfer (as applicable), equivalent to the dollar amount of the Parcel you wish to apply for (including using the Biller Code (in the case of payment by BPAY®) and unique reference number provided to you on your Application Form).

You must make your payment so that it is received by the Registrar by 5:00pm (Sydney time) on the Closing Date (expected to be 18 December 2020). You may need to contact your financial institution to ensure your BPAY® or direct transfer payment (as applicable) can be made from your particular type of account, and to understand any applicable cut-off times so that your payment can be received by the Registrar by 5:00pm (Sydney time) on the Closing Date.

Payments must be in Australian dollars. IAG will not accept payment by cash or cheque.

If IAG receives an amount that is not equal to \$1,000, \$5,000, \$10,000, \$15,000, \$20,000 or \$30,000, IAG may round down the dollar amount of SPP Shares that you are applying for to the next lowest Parcel or, if IAG receives less than \$1,000, reject your Application and refund your Application payment without interest, as soon as practicable following the issue of SPP Shares.

- (b) Eligible Shareholders (other than Custodians) who receive more than one offer under the SPP via post or email (for example, because they hold Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for SPP Shares but may not apply for SPP Shares with a total dollar amount of more than \$30,000.

(c) IAG may at its absolute discretion accept or reject your Application for SPP Shares. IAG may reject your Application in the following circumstances (among others):

- (i) your Application is determined by IAG to be invalid;
- (ii) you have applied for SPP Shares with a total Application price of less than \$1,000;
- (iii) your BPAY® or direct transfer payment (as applicable) is incomplete or invalid;
- (iv) unless you are a Custodian, it appears that you are applying to acquire SPP Shares with a total Application price of more than \$30,000 under the SPP;
- (v) you are a Custodian and you have not provided the required Custodian Certificate;
- (vi) your BPAY® or direct transfer payment (as applicable) is received after the SPP Closing Date. Late payments will be refunded, without interest, as soon as practicable following the issue of SPP Shares; or
- (vii) IAG believes you are not an Eligible Shareholder (subject to compliance with any applicable ASIC requirements).

(d) If the value of the Parcel you have applied for cannot be divided by the Issue Price to give a whole number of SPP Shares, there will be a rounding up to the nearest whole number of SPP Shares.

4 Acknowledgements by Making an Application

(a) If you make an Application, by making that Application, you:

- (i) acknowledge that you have read and accepted these SPP Terms and Conditions in full;
- (ii) declare that at the Record Date you were the registered holder(s) of the Shares indicated on the Application Form as being held by you on the Record Date;
- (iii) acknowledge that you are an Eligible Shareholder using the unique reference number provided to you on the Application Form;
- (iv) irrevocably and unconditionally agree to these SPP Terms and Conditions, including the terms of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (v) agree to be bound by the terms of IAG's Constitution (as may be amended from time to time);
- (vi) declare you are over 18 years of age and have full legal capacity and power to exercise and perform all of your rights and obligations under the SPP Offer;

(vii) acknowledge your Application is irrevocable and unconditional and cannot be varied by you;

(viii) if you are applying on your own behalf (and not as a Custodian), certify that the total of the Application price for the following does not exceed \$30,000:

- (A) the Shares the subject of your Application;
- (B) any other Shares in the class you applied for under the SPP; and
- (C) any other Shares in the class which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Application;

(ix) if you are a Custodian and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Shares, certify that:

- (A) you are a Custodian;
- (B) as at the Record Date you held Shares on behalf of the Eligible Beneficiary who has instructed you to apply for SPP Shares on their behalf under the SPP and that that Eligible Beneficiary has been given a copy of this SPP Booklet;

(C) you are not applying for SPP Shares on behalf of any Eligible Beneficiary with a total Application price of more than \$30,000; and

(D) the information in the Custodian Certificate submitted with your Application Form is true and correct and not misleading;

(x) accept the risk associated with any refund that may be dispatched to your address or to your nominated bank account as shown on the Register;

(xi) are responsible for any dishonour fees or other costs IAG may incur in processing a payment that is dishonoured;

(xii) acknowledge that no interest will be paid on any Application payment held pending the issue of the SPP Shares or subsequently returned to you for any reason;

(xiii) authorise IAG and the Registrar and their respective officers or agents to do anything on your behalf necessary for SPP Shares to be issued to you, including to act on instructions of the Registrar upon using the contact details set out in your Application Form;

- (xiv) acknowledge that the information contained in this SPP Booklet, including the SPP Terms and Conditions and your Application Form is not financial product or investment advice nor a recommendation that SPP Shares are suitable for you and has been prepared without taking into account your investment objectives, financial situation or particular needs;
- (xv) acknowledge that this SPP Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in IAG and is given in the context of IAG's past and ongoing continuous disclosure announcements to the ASX;
- (xvi) acknowledge that none of IAG or its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers guarantees the performance of IAG;
- (xvii) acknowledge that, to the extent permitted by any applicable law, IAG is not liable for any exercise of its discretions referred to in this SPP Booklet;
- (xviii) represent and warrant that the law of any place does not prohibit you from being given this SPP Booklet and the Application Form, nor does it prohibit you from making an Application for the SPP Shares and that you are otherwise eligible to participate in the SPP;
- (xix) represent that you are not in the United States and you are not acting for the account or benefit of a person in the United States (or, in the event that you do act for the account or benefit of a person in the United States, you are not participating in the SPP in respect of that person);
- (xx) acknowledge that the SPP Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and, accordingly, the SPP Shares may not be offered, sold or resold, directly or indirectly, in the United States;
- (xxi) acknowledge that the SPP Shares will only be offered and sold in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- (xxii) represent that you have not sent, and you agree that you will not send, this SPP Booklet or any other materials relating to the SPP to any person in the United States or to any person acting for the account or benefit of a person in the United States; and

- (xxiii) acknowledge and agree that if in the future you decide to sell or otherwise transfer the Shares, you will only do so in standard brokered transactions on the ASX, where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or the purchaser is, a person in the United States.

5 Issue Price of SPP Shares

- (a) The Issue Price per SPP Share is the lesser of:
 - (i) \$5.05, being the same price paid by institutional investors under the Placement; and
 - (ii) the VWAP of Shares traded on the ASX during the 5 trading days up to, and including, the Closing Date (expected to be 18 December 2020), less a 2% discount, rounded to the nearest cent.
- (b) You agree to pay the Issue Price per SPP Share for the number of SPP Shares calculated under section 5(a) or, if there is a Scaleback, the number of SPP Shares calculated under section 7.
- (c) You acknowledge the risk that the market price of Shares may change (i.e. rise or fall) between the date you submit your Application and the Issue Date, which may mean that the Issue Price you pay for the SPP Shares may exceed or be less than the market price of Shares on the Issue Date.
- (d) IAG will apply to ASX for quotation of the SPP Shares. It is anticipated that the trading of the SPP Shares on the ASX will commence on 4 January 2021.

6 Rights Attaching to the SPP Shares

Shares issued under the SPP will rank equally in all respects with existing Shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements.

7 Scaleback

- (a) IAG may in its absolute discretion allocate to you less SPP Shares than the value of the Parcel you have applied for. IAG may in its absolute discretion determine to apply any Scaleback to the extent and in the manner it sees fit. It is IAG's intention that any Scaleback will be applied having regard to existing holdings of Eligible Shareholders and the size of the Parcel applied for.
- (b) If there is a Scaleback, you may receive less than the Parcel for which you have applied. If a Scaleback when applied to your Parcel produces a fractional number of SPP Shares, the number of SPP Shares you will be allocated will be rounded up to the nearest whole number of SPP Shares.

- (c) In the event of a Scaleback, the difference in value between the Application payment and the number of SPP Shares allocated to you multiplied by the Issue Price, will be refunded to you, without interest, by direct deposit (to your nominated account as recorded on the Register) or by cheque, without interest, as soon as practicable following the Issue Date.

8 Costs of Participation in the SPP

Eligible Shareholders will not be charged brokerage or transaction costs in respect of the application for, and the issue of, SPP Shares.

9 New Zealand

The SPP Shares are not being offered or sold to the public within New Zealand other than to registered holders of Shares at the Record Date (7:00pm (Sydney time) on 19 November 2020) shown on the register to have addresses in New Zealand to whom the offer of SPP Shares is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Application payments must be made in Australian dollars.

10 IAG Determination Final

IAG may determine in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP and the decision of IAG will be conclusive and binding on all participants and other persons to whom the determination relates.

11 Waiver, Amendment, Suspension and Withdrawal

IAG may, at its absolute discretion, waive compliance with any provision of these SPP Terms and Conditions (including by accepting late Applications, either generally or in particular cases), amend or vary these SPP Terms and Conditions (including by changing the timetable for the SPP, such as the Closing Date and Issue Date), or suspend or withdraw the SPP Offer at any time. Any such waiver, amendment, variation, suspension or withdrawal will be binding on all Eligible Shareholders even where IAG does not notify you of the event.

12 No Underwriting

The SPP will not be underwritten.

13 Governing Law

These SPP Terms and Conditions are governed by the laws in force in New South Wales, Australia.

14 Privacy Policy

- (a) By completing and submitting an Application you acknowledge that you have read this SPP Booklet and the SPP Terms and Conditions.
- (b) IAG is required to collect certain information about shareholders under company and tax law. Applicants will be asked to provide personal information to IAG (directly or via its agents, including the Registrar).
- (c) You acknowledge that the personal information submitted as part of the Application or other forms and otherwise provided to IAG (directly or via its agents, including the Registrar) will be collected, used and disclosed by IAG (and its agents, including the Registrar) in order to process your Application, service your needs as a shareholder, provide facilities and services that you request, carry out appropriate administration, send you information about the products and services of members of IAG, including future offers of securities and as otherwise required or authorised by law (including, without limitation, any law relating to taxation, money laundering or counter-terrorism). Such disclosure may include disclosure to third parties including other members of IAG's group and to IAG's agents, service providers, auditors and advisers. Such disclosure may also include disclosure to domestic and overseas regulators or other government agencies (including ASIC and the ATO), stock exchanges, and the public by way of public registers maintained by regulators or other bodies. Some of these recipients may be located outside Australia (including in New Zealand) where your personal information may not receive the same level of protection as afforded under Australian law.
- (d) You acknowledge that if you do not provide the personal information required by the Application or other forms, it might not be possible to process your Application, administer your shareholding and/or send you information about the products and services of members of IAG, including future offers of securities.
- (e) If you do not wish to receive information about the products and services of members of IAG, including future offers of securities, please contact IAG's SPP Information Line (see the Corporate Directory at the back of this SPP Booklet) and request that IAG does not send you marketing material.

- (f) IAG's privacy policy is available on IAG's website <https://www.iag.com.au/privacy-and-security> and contains information about how you may access and seek correction of the personal information that IAG holds about you, how you may complain about a breach of the *Privacy Act 1988* (Cth) by IAG and how IAG will deal with such a complaint.

15 Taxation

Eligible Shareholders should consult their own taxation advisor about the tax status of their investment in the Shares.

16 Foreign Account Tax Compliance Act ("FATCA") withholding and reporting

In order to comply with FATCA, IAG (or, if Shares are held through another financial institution, such other financial institution) may be required (pursuant to an agreement with the United States or under applicable law including pursuant to the terms of an applicable intergovernmental agreement entered into between the United States and any other jurisdiction) (i) to request certain information from holders or beneficial owners of Shares, which information may be provided to the US Internal Revenue Service (IRS), and (ii) to withhold tax on any portion of payments with respect to Shares treated as a 'foreign passthru payment' made two years after the date on which the final regulation that defines 'foreign passthru payment' is published if such information is not provided or if payments are made to certain foreign financial institutions that have not entered into a similar agreement with the United States (and are not otherwise required to comply with the FATCA regime under applicable law including pursuant to the terms of an applicable intergovernmental agreement entered into between the United States and any other jurisdiction).

If IAG or any other person is required to withhold amounts from any payments made with respect to Shares, under or in connection with FATCA, holders and beneficial owners of Shares will not be entitled to receive any gross up or additional amounts to compensate them for such withholdings. FATCA is complex and its application to the Shares remains uncertain. Eligible Shareholders are advised to consult their own tax advisers about the application of FATCA to the Shares.

This information is based on guidance issued by the IRS or other relevant tax authority as at the date of this SPP Booklet. Future guidance may affect the application of FATCA to IAG, shareholders or beneficial owners of Shares.

Glossary

The following definitions apply throughout this SPP Booklet unless the context requires otherwise.

Term	Meaning
\$ or A\$	Australian dollars
Application	a valid payment via: <ul style="list-style-type: none">– BPAY®, if you are an Eligible Shareholder with a registered address in Australia; or– direct transfer, if you are an Eligible Shareholder with a registered address in New Zealand and cannot make payment by BPAY®
Application Form	the application form relating to the SPP that you received with this SPP Booklet, including the instructions
ASIC	Australian Securities & Investments Commission
ASX	ASX Limited (ACN 008 624 691) or the market operated by it, as the context requires
ASX Listing Rules	the listing rules of ASX as amended from time to time
ATO	Australian Taxation Office
Beneficiary	either or both of the following: <ul style="list-style-type: none">– one or more persons on whose behalf a Custodian holds Shares; and/or– a Downstream Custodian
Closing Date	the last day on which Applications will be accepted (expected to be 5:00pm (Sydney time) on 18 December 2020)
Corporations Act	<i>Corporations Act 2001</i> (Cth) as amended from time to time
Custodian	a custodian, trustee or nominee within the definition of “custodian” in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547
Custodian Certificate	has the meaning given in section 2(g) of the SPP Terms and Conditions
Downstream Custodian	another Custodian on whose behalf a Custodian holds Shares, who holds the beneficial interests in Shares on behalf of one or more persons
Eligible Beneficiary	a Beneficiary of a Custodian with a registered address in either Australia or New Zealand as at the Record Date, provided that such Beneficiary is in Australia or New Zealand, and not in the United States or acting for the account or benefit of a person in the United States
Eligible Shareholder	a registered holder of Shares at the Record Date and shown on the Register to have an address in Australia or New Zealand, provided that such holder is not in the United States and is not acting for the account or benefit of a person in the United States (or, in the event that such holder does act for the account or benefit of a person in the United States, it is not participating in the SPP for that person)
IAG	Insurance Australia Group Limited
Issue Date	the date on which SPP Shares are issued (expected to be 31 December 2020)

Term	Meaning
Issue Price	the issue price per SPP Share is the lesser of: <ul style="list-style-type: none"> – \$5.05, being the same price paid by institutional investors under the Placement; and – the VWAP of Shares traded on the ASX during the 5 trading days up to, and including, the Closing Date, less a 2% discount, rounded to the nearest cent
Opening Date	10:00am (Sydney time) on 30 November 2020
Parcel	a parcel of SPP Shares, with a dollar amount of \$1,000, \$5,000, \$10,000, \$15,000, \$20,000 or \$30,000, calculated at the Issue Price
Placement	the placement of Shares to institutional investors, announced on 20 November 2020
Record Date	7:00pm (Sydney time) on 19 November 2020
Register	the register of shareholders maintained by the Registrar
Registrar	Computershare Investor Services Pty Limited ABN (48 078 279 277)
Share	a fully paid ordinary share in IAG
Share Purchase Plan or SPP	this share purchase plan being offered to Eligible Shareholders under this SPP Booklet
SPP Booklet	this booklet
SPP Offer	has the meaning given in section 1(a) of the SPP Terms and Conditions
SPP Share	a new Share issued under the SPP
SPP Terms and Conditions	the terms and conditions of the SPP set out in this SPP Booklet, including this Glossary and the Application Form
U.S. Securities Act	the United States Securities Act of 1933 as amended
VWAP	the simple average of the daily volume weighted average sale price for IAG Shares traded on the ASX (as disclosed on Bloomberg) for each of the five trading days up to, and including, the Closing Date in the ordinary course of ASX trading but excluding certain transactions such as those defined in the ASX Market Rules as “special” which may not be fairly reflective of natural supply and demand



Corporate Directory

IAG

Insurance Australia Group Limited (IAG)
Level 13, Tower Two
Darling Park
201 Sussex Street
Sydney NSW 2000
Australia

Legal Advisor

Allens
Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000

Registrar

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

IAG SPP Information Line

Shareholders with questions in relation to the
SPP may contact IAG's SPP Information Line on:

Monday to Friday

8.30am to 5.00pm (Sydney time)

1300 360 688 (toll free within Australia)

+61 3 9415 4210 (from outside Australia)

IAG Website

www.iag.com.au