

# Appendix 3Y

## Change of Director's Interest Notice

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

Introduced 30/09/01 Amended 01/01/11

|                       |                                          |
|-----------------------|------------------------------------------|
| <b>Name of entity</b> | <b>INSURANCE AUSTRALIA GROUP LIMITED</b> |
| <b>ABN</b>            | <b>60 090 739 923</b>                    |

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

|                            |                 |
|----------------------------|-----------------|
| <b>Name of Director</b>    | PETER HARMER    |
| <b>Date of last notice</b> | 19 October 2017 |

### Part 1 - Change of director's relevant interests in securities

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

|                                                                                                                                                      |                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <b>Direct or indirect interest</b>                                                                                                                   | Direct and Indirect                                                                                            |
| <b>Nature of indirect interest (including registered holder)</b><br>Note: Provide details of the circumstances giving rise to the relevant interest. | Beneficial owner of IAG shares held by Insurance Australia Group Limited (IAG) Share Plan Nominees Pty Limited |
| <b>Date of change</b>                                                                                                                                | N/A                                                                                                            |
| <b>No. of securities held prior to change</b>                                                                                                        | 824,438 Ordinary Shares held directly<br><br>172,800 Ordinary Shares (IAG Share Plan Nominees Pty Limited)     |
| <b>Class</b>                                                                                                                                         | Ordinary                                                                                                       |
| <b>Number acquired</b>                                                                                                                               | 56,336                                                                                                         |
| <b>Number disposed</b>                                                                                                                               | NIL                                                                                                            |
| <b>Value/Consideration</b><br>Note: If consideration is non-cash, provide details and estimated valuation                                            | Exercised at market value of \$369,654.92                                                                      |
| <b>No. of securities held after change</b>                                                                                                           | 880,774 Ordinary Shares held directly<br><br>172,800 Ordinary Shares (IAG Share Plan Nominees Pty Limited)     |

+ See chapter 19 for defined terms.

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|                                                                                                                                                                             |                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <b>Nature of change</b><br>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back | Exercise of Executive Performance Rights |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|

## Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

|                                                                                                                                                                              |                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Detail of contract</b>                                                                                                                                                    | The IAG Share and Performance Award Rights Plan Trust Deed (Plan Trust Deed)                                                                                                                         |
| <b>Nature of interest</b>                                                                                                                                                    | Deferred Award Rights (DARs) and Executive Performance Rights (EPRs) granted by IAG Share Plan Nominee Pty Limited, the trustee of the DAR and EPR Plan Trust in accordance with the Plan Trust Deed |
| <b>Name of registered holder (if issued securities)</b>                                                                                                                      | N/A                                                                                                                                                                                                  |
| <b>Date of change</b>                                                                                                                                                        | 20 October 2017                                                                                                                                                                                      |
| <b>No. and class of securities to which interest related prior to change</b><br>Note: Details are only required for a contract in relation to which the interest has changed | 41,550 Deferred Award Rights<br>1,003,086 Executive Performance Rights                                                                                                                               |
| <b>Interest acquired</b>                                                                                                                                                     | NIL                                                                                                                                                                                                  |
| <b>Interest disposed</b>                                                                                                                                                     | 56,336 Executive Performance Rights (exercised)                                                                                                                                                      |
| <b>Value/Consideration</b><br>Note: If consideration is non-cash, provide details and an estimated valuation                                                                 | NIL                                                                                                                                                                                                  |
| <b>Interest after change</b>                                                                                                                                                 | 41,550 Deferred Award Rights<br>946,750 Executive Performance Rights                                                                                                                                 |

## Part 3 – <sup>+</sup>Closed period

|                                                                                                                                                               |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <b>Were the interests in the securities or contracts detailed above traded during a <sup>+</sup>closed period where prior written clearance was required?</b> | No  |
| <b>If so, was prior written clearance provided to allow the trade to proceed during this period?</b>                                                          | N/A |
| <b>If prior written clearance was provided, on what date was this provided?</b>                                                                               | N/A |

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