

Appendix 3C

Announcement of buy-back (*except* minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001, 11/01/10

Name of entity	ABN/ARSN
Insurance Australia Group Limited (IAG)	60 090 739 923

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	Selective buy-back.
2	⁺ Class of shares/units which is the subject of the buy-back (eg, ordinary/preference)	Convertible preference shares issued by IAG in May 2012 (CPS) (ASX: IAGPC).
3	Voting rights (eg, one for one)	CPS holders have no voting rights at meetings of holders of ordinary shares in IAG except in limited circumstances. Refer to clause 10 of the CPS Terms of Issue, as amended effective as of 21 November 2016.
4	Fully paid/partly paid (and if partly paid, details of how much has been paid and how much is outstanding)	Fully paid.
5	Number of shares/units in the ⁺ class on issue	3,773,728
6	Whether shareholder/unitholder approval is required for buy-back	Shareholder approval was obtained at IAG's annual general meeting on 21 October 2016.

⁺ See chapter 19 for defined terms.

7	Reason for buy-back	As part of IAG's capital management program.
8	Any other information material to a shareholder's/unitholder's decision whether to accept the offer (<i>eg, details of any proposed takeover bid</i>)	See the notice of meeting for IAG's 2016 annual general meeting announced to the ASX on 6 September 2016 and the IAG Capital Notes Prospectus lodged with ASIC and ASX on 21 November 2016.

On-market buy-back

9	Name of broker who will act on the company's behalf	Not applicable.
10	Deleted 30/9/2001.	Not applicable.
11	If the company/trust intends to buy back a maximum number of shares - that number <small>Note: This requires a figure to be included, not a percentage.</small>	Not applicable.
12	If the company/trust intends to buy back shares/units within a period of time - that period of time; if the company/trust intends that the buy-back be of unlimited duration - that intention	Not applicable.
13	If the company/trust intends to buy back shares/units if conditions are met - those conditions	Not applicable.

Employee share scheme buy-back

- | | | |
|----|---|-----------------|
| 14 | Number of shares proposed to be bought back | Not applicable. |
| 15 | Price to be offered for shares | Not applicable. |

Selective buy-back

- | | | |
|----|--|----------------|
| 16 | Name of person or description of class of person whose shares are proposed to be bought back | Holders of CPS |
| 17 | Number of shares proposed to be bought back | 3,773,728 |
| 18 | Price to be offered for shares | \$100 per CPS |

Equal access scheme

- | | | |
|----|---|-----------------|
| 19 | Percentage of shares proposed to be bought back | Not applicable. |
| 20 | Total number of shares proposed to be bought back if all offers are accepted | Not applicable. |
| 21 | Price to be offered for shares | Not applicable. |
| 22 | ⁺ Record date for participation in offer
<small>Cross reference: Appendix 7A, clause 9.</small> | Not applicable. |

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.

or, for trusts only:

1. The trust is in compliance with all requirements of the Corporations Act as modified by Class Order 07/422, and of the trust's constitution, relevant to this buy-back.

⁺ See chapter 19 for defined terms.

2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here:

A handwritten signature in black ink, appearing to read 'Chris Bertuch', is written over a light gray rectangular background.

COMPANY SECRETARY

Date: 21 NOVEMBER 2016

Print name:

CHRISTOPHER BERTUCH