



5 September 2017

Manager, Company Announcements
Office ASX Limited
Level 4, Exchange
Centre 20 Bridge
Street
Sydney NSW 2000

Dear Sir/Madam

Insurance Australia Group Limited (IAG) Notice of Annual General Meeting 2017

Please find attached IAG's 2017 Notice of Annual General Meeting and Voting Form.

Mailing of the above documents to shareholders commenced today.

Copies of these documents will be available on IAG's website at
www.iag.com.au/shareholder-centre/annual-meetings.

Yours sincerely

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

Chris Bertuch
Group General Counsel and Company Secretary

Level 26, 388 George Street, Sydney NSW 2000
Insurance Australia Group Limited ABN 60 090 739 923

A photograph of three members of the State Emergency Service (SES) in New South Wales, Australia. They are wearing their standard uniforms, including dark caps with the SES logo and high-visibility orange and grey jackets. The man on the left has a name tag that says 'SES'. The woman on the right has a name tag that says 'CANTY TEAR SM'. They are all looking down at a map spread out on the ground, with one person pointing at a specific location. The background shows a wooded area with trees and foliage.

iaag

MEETING.

INSURANCE AUSTRALIA GROUP LIMITED
NOTICE OF MEETING 2017



LETTER FROM THE CHAIRMAN

Dear Shareholder

I am pleased to invite you to attend the 2017 Annual General Meeting (AGM or meeting) of Insurance Australia Group Limited (IAG or the Company).

The AGM will be held at the Wesley Conference Centre, 220 Pitt Street, Sydney on Friday, 20 October 2017, commencing at 10.00am. A map with directions to the venue appears on the inside back cover of this booklet.

The following pages contain details on the items of business for the meeting, as well as explanatory notes and voting procedures.

At this year's AGM you will have the opportunity to vote on:

- the adoption of the Remuneration Report as set out on pages 16 to 37 of the 2017 Annual Report;
- the allocation of share rights in the form of Deferred Award Rights and Executive Performance Rights to Peter Harmer, Managing Director and Chief Executive Officer;
- the re-election of Director, Thomas Pockett. This Director is retiring by rotation in accordance with the Company's Constitution (Constitution) and is offering himself for re-election; and
- the election of two new Directors, Helen Nugent and Duncan Boyle, who have been appointed to the Board of Directors of IAG (Board) since the last AGM and offer themselves for election.

The 2017 AGM will be Alison Dean's last as a Non-Executive Director of IAG. Alison will be retiring from the Board at the end of the AGM and I would like to take this opportunity to thank Alison for her dedicated service and contribution to IAG since her appointment.

If you are unable to attend the AGM in person you may vote directly or appoint a proxy to act on your behalf. You may register voting instructions electronically at www.investorvote.com.au or complete and return the enclosed voting form using the pre-addressed envelope provided.

The AGM will be webcast live and may be viewed at www.iag.com.au/shareholder-centre/annual-meetings. An archive of the webcast will be available on the site shortly after the AGM concludes.

A shareholder who is entitled to vote at the AGM may also submit written questions for the Company or the Company's external auditor in advance of the AGM. Questions should be about the business of the Company or the content of the 2017 Annual Report. A shareholder question form is enclosed for your convenience and this form can be returned with your voting form in the pre-addressed envelope provided. You can also submit questions online at www.investorvote.com.au.

Alternatively, you may lodge both your voting form and shareholder question form by fax to +61 (0) 3 9473 2555 or hand deliver both forms to our share registry in Sydney at the address shown on page 4.

I look forward to seeing you at the AGM.

Yours sincerely

ELIZABETH BRYAN AM
CHAIRMAN

Items of business

RECEIPT OF FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Company's financial statements and reports for the financial year ended 30 June 2017.

ADOPTION OF REMUNERATION REPORT

Resolution 1

To consider and, if thought fit, pass the following ordinary Resolution:

"That the Company's Remuneration Report for the financial year ended 30 June 2017 be adopted."

ALLOCATION OF SHARE RIGHTS TO PETER HARMER, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (CEO)

Resolution 2

To consider, and if thought fit, pass the following ordinary Resolution:

"That approval is given to allocate to the CEO, Peter Harmer, Deferred Award Rights (**DARs**) and Executive Performance Rights (**EPRs**) in accordance with the DAR and EPR Plan terms and as described in the Explanatory Notes accompanying the 2017 Notice of Meeting."

ELECTION AND RE-ELECTION OF DIRECTORS

Resolution 3

To consider, and if thought fit, pass the following ordinary Resolution:

"To elect as a Non-Executive Director Helen Nugent, who has been appointed to the Board since the last AGM and offers herself for election."

Resolution 4

To consider, and if thought fit, pass the following ordinary Resolution:

"To elect as a Non-Executive Director Duncan Boyle, who has been appointed to the Board since the last AGM and offers himself for election."

Resolution 5

To consider, and if thought fit, pass the following ordinary Resolution:

"To re-elect as a Non-Executive Director Thomas Pockett, who retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election."

ABOUT VOTING

How to vote

A. VOTING OPTIONS

In person

Shareholders may vote by attending the AGM and casting their votes in person.

Direct

A direct vote allows shareholders to vote on Resolutions considered at the AGM by lodging their votes with the Company before the AGM, without the need to attend the AGM or appoint a proxy.

You must mark either “For”, “Against” or “Abstain” for each item of business on the voting form for a valid direct vote to be recorded on that item.

Please note that a shareholder who has cast a direct vote may attend the AGM; however, attendance and registration at the AGM will cancel that shareholder’s direct vote unless the shareholder instructs the Company or the share registry otherwise.

Proxy

A shareholder who is entitled to attend and cast a vote at the AGM has a right to appoint a proxy to attend and vote instead of the shareholder. The proxy need not be a shareholder of the Company and may be a corporation (and any corporation so appointed may then nominate an individual to exercise its powers at the meeting). A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise.

If the proxy appointments do not specify the proportion or number of the shareholder’s votes that each proxy may exercise, each proxy may exercise up to half of the shareholder’s votes.

Shareholders can direct their proxy how to vote by following the instructions on the voting form and are encouraged to do so. Shareholders appointing a proxy should also take note of the instructions under “Voting Exclusions” set out below.

If a shareholder appoints the Chairman of the meeting or another Director as proxy and does not direct the Chairman of the meeting or Director how to vote, they will vote all available proxies in favour of each Resolution (subject to the “Voting Exclusions” set out below).

Voting exclusions

Certain voting exclusions apply to all Resolutions. Details are set out in the Explanatory Notes for the relevant Resolutions accompanying the 2017 Notice of Meeting.

The key management personnel of the Company and their closely related parties (as defined under the Corporations Act 2001, which includes their spouses, dependents and companies that they control) (**Closely Related Parties**) will not be able to vote your proxy on Resolutions 1 or 2 unless you direct them how to vote on the voting form.

If you appoint the Chairman of the meeting as your proxy or if the Chairman of the meeting is appointed as your proxy by default, and you do not mark any of the voting boxes on the voting form for Resolutions 1 and 2, by signing and returning the voting form, you will be giving the Chairman of the meeting your express authority to vote your undirected proxy as she sees fit.

If you appoint as your proxy any other member of the Company’s key management personnel or any of their Closely Related Parties, you are encouraged to direct that person how to vote on Resolutions 1 and 2. If you do not direct that person how to vote on these Resolutions, that person will not be entitled to vote, and will not vote, your proxy on those Resolutions.

Default to the Chairman of the meeting

Any directed proxies that are not voted on a poll at the meeting will automatically default to the Chairman of the meeting, who is required to vote those proxies as directed.

How to vote directly or by proxy

To be valid, voting forms, proxies or electronic voting instructions must be received by the Company’s share registry, **Computershare Investor Services Pty Limited (Computershare), in Sydney before 10.00am (Sydney time) on Wednesday, 18 October 2017 (Voting Deadline).**

Voting forms, proxies or electronic voting instructions may be submitted:

- online at www.investorvote.com.au. You will need information shown on your voting form to register your vote online;
- by post in the pre-addressed envelope provided. Please allow sufficient time for the form to reach Computershare, Sydney by the Voting Deadline;
- by facsimile to Computershare on +61 (0) 3 9473 2555; or
- by hand delivery to Computershare, Level 4, 60 Carrington Street, Sydney NSW 2000.

Intermediaries with access to Intermediary Online through Computershare should lodge their votes through www.intermediaryonline.com.

B. CORPORATE REPRESENTATIVES

A corporate shareholder wishing to appoint a person to act as its representative at the AGM may do so by providing that person with:

- a letter, certificate or form authorising him or her as the corporate shareholder’s representative, executed in accordance with the corporate shareholder’s constitution; or
- a copy of the Resolution appointing the representative, certified by a secretary or director of the corporate shareholder.

A form may be obtained from the Computershare website at www.investorcentre.com under the information tab “Downloadable Forms”.

C. POWER OF ATTORNEY

If a shareholder has appointed an attorney to attend and vote at the AGM, or if the voting form is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) must be received by Computershare by the Voting Deadline, unless this document has been previously lodged with the Company’s share registry for notation.

Powers of attorney may be submitted by post or by hand delivery to Computershare at the addresses shown above.

D. SHAREHOLDERS ELIGIBLE TO VOTE

As determined by the Board, only shareholders who hold ordinary shares in the Company as at 7.00pm (Sydney time) on Wednesday, 18 October 2017 will be eligible to vote at the AGM.

Dated in Sydney on 23 August 2017.

By order of the Board.



CHRIS BERTUCH
GROUP GENERAL COUNSEL
& COMPANY SECRETARY

More information

The following Explanatory Notes explain the items of business to be considered at IAG's 2017 AGM and form part of the Notice of Meeting. The Explanatory Notes are set out in the order of the items in the Notice of Meeting and should be read with the Notice.

RECEIPT OF FINANCIAL STATEMENTS AND REPORTS

The financial results for the year ended 30 June 2017 are set out in the Company's 2017 Annual Report sent to those shareholders who elected to receive it by post or email. The Annual Report is available online at www.iag.com.au/results-and-reports.

Why are the financial reports being presented to shareholders?

It is a requirement under the Corporations Act 2001 to present at the AGM the financial report, Directors' report, and auditor's report of the Company and the consolidated entity.

Shareholders will be given a reasonable opportunity at the AGM to ask questions and make comments on the financial report and other reports and on the business operations and management of the Company.

Questions for the auditor

During discussion of this item the Company's auditor will answer relevant questions.

If you would like to submit a written question to the Company's auditor, please write your question on the shareholder question form provided and submit it using one of the methods set out on page 4 under the section entitled "How to vote directly or by proxy". Questions may also be lodged as part of the online voting process.

Questions for the auditor (either written or at the meeting) must relate to:

- the preparation and content of the auditor's report or the conduct of the audit (including the independence of the auditor); or
- the accounting policies adopted by the Company in relation to the preparation of its financial statements.

A list of qualifying written questions received will be made available at the AGM. Please note that all written questions to the auditor must be received **no later than 5.00pm Friday, 13 October 2017**.

RESOLUTION 1

Adoption of the Remuneration Report

This Resolution is advisory only and does not bind the Company or the Directors. However, the Directors will actively consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

Remuneration overview

The Board presents the Remuneration Report to shareholders for consideration and adoption. The Remuneration Report contains information about IAG's remuneration policy and practices. It also sets out the remuneration arrangements for key management personnel, including the Non-Executive Directors, the CEO and Group Executives.

The Remuneration Report, which is part of the 2017 Annual Report, can be found on the Company's website at www.iag.com.au/results-and-reports.

IAG's remuneration practices have been designed to:

- align remuneration with the interests of IAG's shareholders;
- motivate employees to achieve sustainable and superior performance;
- retain market competitiveness to attract and retain high quality people; and
- encourage constructive, collaborative behaviours as well as prudent risk taking that support long term financial soundness.

The Board is confident that IAG's remuneration policies are in line with governance requirements and continue to support the Group's financial and strategic goals, which ultimately benefit shareholders, customers, employees and the community.

Shareholders will be given the opportunity to ask questions about and to make comments on the Remuneration Report at the AGM.

Voting exclusion statement

The Company will disregard any votes cast on Resolution 1:

- by or on behalf of a member of the key management personnel whose remuneration is disclosed in the Remuneration Report or any Closely Related Parties of those persons; or
- by a member of the key management personnel or any of their Closely Related Parties as a proxy,

unless the vote is cast by a person as a proxy entitled to vote on Resolution 1:

- in accordance with a direction as to how to vote on the voting form; or
- by the Chairman of the meeting following express authorisation on the voting form to vote as she sees fit.

If you choose to appoint as your proxy a member of the key management personnel (other than the Chairman of the meeting) or one of their Closely Related Parties, you are encouraged to direct your proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the voting form.

Only ordinary shareholders may vote on Resolution 1.

What do the Directors recommend?

The Directors recommend that you vote "For" the Resolution. The Chairman intends to vote available proxies given to her "For" the adoption of the Remuneration Report.

EXPLANATORY NOTES

RESOLUTION 2

Allocation of share rights to Mr Peter Harmer, CEO

Shareholder approval is being sought to grant the following to Mr Peter Harmer, the CEO of the Company:

- Deferred Award Rights (**DARs**) – under IAG's short term incentive (**STI**) plan, to reward achievement against a mix of financial and non-financial targets. DARs are the deferred portion of the STI awarded for the financial year ended 30 June 2017; and
- Executive Performance Rights (**EPRs**) – under IAG's long term incentive (**LTI**) plan, subject to performance hurdles designed to drive performance over three and four years and to strengthen the alignment between the interests of executives and shareholders. EPRs constitute Mr Harmer's proposed LTI grant for the financial year ending 30 June 2018.

Why is shareholder approval being sought?

The Company is not required to seek this approval as shares allocated under the Company's DAR and EPR Plans to satisfy vested grants of DARs and EPRs will continue to be bought on-market.

In the interests of transparency, shareholder engagement and good governance, the Company is seeking shareholder approval for equity-based allocations to the CEO.

Background

Under Mr Harmer's employment agreement with the Company, his remuneration includes:

- Fixed Pay (base salary plus superannuation);
- STI entitlement payable in cash;
- deferred STI entitlement in the form of DARs which vest in tranches over a period of two years; and
- an LTI entitlement provided in the form of EPRs.

The cash STI, deferred STI (DARs) and LTI (EPRs) entitlements are 'at risk'. DARs are only awarded if Mr Harmer meets the targets necessary to earn an STI. Similarly, EPRs only vest if they satisfy performance hurdles. Both DARs and EPRs are designed to align Mr Harmer's interests with those of shareholders.

As a senior executive, Mr Harmer has participated in the DAR and EPR Plans since joining the Company in 2010 and, in his capacity as CEO, he continues to be eligible to participate.

No loan has been or is intended to be given by the Company to Mr Harmer in relation to proposed grants of the DARs or EPRs described in this Resolution.

Mr Harmer is the only Executive Director of the Company and therefore is the only Director eligible to participate in the incentive plans. Mr Harmer was granted 83,100 DARs in November 2016 and 467,900 EPRs in November 2016 pursuant to shareholder approval obtained at the 2016 AGM. The DARs were granted for nil consideration and with a nominal exercise price of \$1 for each allocation. The EPRs were granted for nil consideration and with a nil exercise price.

An overview of these plans is provided below and full details can be found at www.iag.com.au/shareholder-centre/annual-meetings.

Details of any securities issued to the CEO under the incentive plans are published in the Annual Report.

Proposed deferred STI arrangements – DARs

Consistent with current STI arrangements, the Board has set a maximum annual STI entitlement for Mr Harmer at 150% of his Fixed Pay. The actual STI payment made, if any, is determined by the Board based on achievement of a mix of financial and non-financial targets and an overall assessment of performance by the Board.

The Board has currently determined that two thirds (2/3) of any STI that is awarded will be paid as cash and the remaining one third (1/3) will be deferred for up to two years. The deferred amount is provided as a grant of DARs. Deferring a portion of STI into DARs is designed to provide a retention incentive and align Mr Harmer's interests to those of shareholders.

Each DAR is a right to acquire an ordinary IAG share. DARs are granted for nil consideration and a nominal exercise price of \$1 is payable for the exercise of each allocation of DARs.

How many DARs will be granted to Mr Harmer?

The number of DARs will be determined based on the value of STI awarded for the previous financial year. The formula used to calculate the number of DARs is as follows:

EXPLANATORY NOTES

D = (STI X Z) / S

Where:

D = the number of DARs to be offered rounded up to the nearest 100;

STI = the dollar amount of the STI determined by the Board for the financial year ended 30 June 2017;

Z = the proportion of the STI that the Board has determined will be deferred and offered as an award of DARs (currently 1/3); and

S = the volume weighted average price of IAG Shares on the 30 days up to and including 30 June 2017 being \$6.47.

Subject to shareholder approval, the Board has determined that the DARs to be granted to Mr Harmer under this approval will be a maximum of 88,100.

If Resolution 2 is approved, the allocation of DARs will be granted to Mr Harmer within two months of the meeting. The Board has determined that the DARs to be granted to Mr Harmer will vest as follows:

- 50% on 1 September 2018; and
- 50% on 1 September 2019.

Summary of the DAR Plan

Under the terms of the DARs, if Mr Harmer ceases employment due to retirement, redundancy, death, or total and permanent disablement or with the approval of the Board, the Board may determine that:

- DARs continue to become exercisable on their scheduled vesting date; and/or
- DARs become exercisable at an earlier date; and/or
- some DARs should lapse.

Where employment is terminated by the Company giving notice, the early exercise of DARs may be permitted subject to Board discretion, unless the Board determines, for whatever reason, that some or all of the DARs should lapse.

If Mr Harmer ceases employment due to resignation, any DARs that have not vested and become exercisable lapse on the date employment ceases.

The early exercise of DARs may be permitted by the Board in other circumstances, such as a takeover or scheme of arrangement of IAG.

Mr Harmer's entitlement to shares through the exercise of DARs may be adjusted to take account of capital reconstructions and bonus issues.

The Board retains the discretion to adjust any unvested DARs downwards if it decides it is prudent to do so.

Proposed LTI arrangements – EPRs

An LTI is provided in the form of EPRs.

The performance hurdles that must be met before EPRs become exercisable create a direct link between the remuneration paid to executives and IAG's strategic financial objectives. In the Board's view this supports IAG's economic sustainability and is in the long term interests of shareholders.

Each EPR is a right to acquire an ordinary IAG share (or cash, as determined by the Board). EPRs will be granted at no cost to Mr Harmer and may be exercised at no cost if performance hurdles are met.

Performance hurdles are measured over a three to four year period.

The performance hurdles relevant to the grant will be:

- Total Shareholder Return (**TSR**) of IAG relative to a peer group of companies. This hurdle will apply to 50% of the grant of EPRs; and
- Cash Return on Equity (**ROE**) measured relative to IAG's weighted average cost of capital (WACC). This hurdle will apply to 50% of the grant of EPRs.

Further details of these performance hurdles are provided below.

How many EPRs will be granted to Mr Harmer?

Subject to shareholder approval being obtained, the number of EPRs to be awarded to Mr Harmer in the financial year ending 30 June 2018 will be a maximum of 394,200.

The number of EPRs the Board will award has been calculated using the following formula:

E = (1.5 X F) / S

Where:

E = the number of EPRs to be offered rounded up to the nearest 100;

F = the dollar value of Mr Harmer's Fixed Pay at the time of grant; and

S = the volume weighted average price of IAG Shares on the 30 days up to and including 30 June 2017 being \$6.47.

If Resolution 2 is approved, the EPRs will be granted to Mr Harmer within two months of the meeting. The Board retains the discretion to adjust any unvested EPR downwards if it decides it is prudent to do so.

Performance hurdles

Each allocation of EPRs granted to Mr Harmer will vest and become exercisable for shares in the future subject to performance hurdles being achieved. The total allocation of EPRs is separated into two equal portions, with each portion having a separate performance hurdle.

TSR performance hurdle (50% of total allocation)

The test date for the TSR performance hurdle is 30 September 2021, being the fourth anniversary of the base date of 30 September 2017. The Board may also determine other test dates.

The starting share price for measuring TSR is the three month volume weighted average price (up to and including 30 September of the grant year) of IAG shares and of the shares of other companies within the peer group.

The peer group of companies is the top 50 industrial companies in the S&P/ASX 100 index, as measured over the three months prior to 30 September of the grant year, with such inclusions and exclusions as the Board may determine. Industrial companies are defined by Standard & Poor's as being all companies excluding those defined as being in the Energy sector (GICS Tier 1) and the Metals & Mining industry (GICS Tier 3).

If, on the test date, IAG's TSR is at or above the 75th percentile of the peer group, all EPRs in the TSR allocation vest. If IAG's TSR is at the 50th percentile of the peer group 50% of EPRs in the TSR allocation vest. A sliding scale applies such that 50% plus an additional 2% of EPRs in the TSR allocation vest for each percentile ranking above the 50th percentile of the peer group. No EPRs vest if IAG's TSR is below the 50th percentile of the peer group.

If the TSR performance hurdle is not met or is only partially met when measured after four years, any of the TSR allocation of EPRs that do not vest and become exercisable for shares will lapse.

EXPLANATORY NOTES

ROE performance hurdle (50% of total allocation)

The ROE performance hurdle is measured over a period of three financial years from 1 July 2017 to 30 June 2020.

The ROE performance hurdle compares IAG's Cash ROE performance with IAG's WACC. ROE is measured for each six month period and compared to WACC for that period.

The Board approves the method used to measure ROE and WACC. The average of the six half yearly measurements over the three financial years must show that ROE is at least 1.2 times WACC for any of the ROE portion of the EPRs to vest and become exercisable for shares.

The vesting scale for EPRs in the ROE allocation is outlined below:

CASH ROE vs WACC	VESTING SCALE
ROE \geq 1.6 x WACC	100% vests
ROE = 1.5 x WACC	80% vests
ROE = 1.4 x WACC	60% vests
ROE = 1.3 x WACC	40% vests
ROE = 1.2 x WACC	20% vests
ROE < 1.2 x WACC	0% vests

If the ROE performance hurdle is not met or is only partially met when measured after three financial years, any of the ROE allocation of EPRs that do not vest and become exercisable for shares will lapse.

Cessation of employment

Under the EPRs terms, EPRs may be retained if Mr Harmer ceases employment due to retirement, redundancy, death, or total and permanent disablement or with the approval of the Board. In these circumstances, EPRs may vest and become exercisable for shares or cash if the performance hurdles are achieved in the ordinary course.

Where Mr Harmer resigns or his employment is terminated by the Company giving notice, unvested EPRs lapse on the date employment ceases, unless the Board exercises its discretion and allows Mr Harmer to retain EPRs that have been granted to him. In these circumstances, EPRs may vest and become exercisable for shares or cash only if the performance hurdles are achieved in the ordinary course.

Early vesting of EPRs

The early vesting (and exercise) of Mr Harmer's EPRs for shares may be permitted by the Board in circumstances such as a takeover, scheme of arrangement or winding up of IAG.

Reconstruction and bonus issues

Mr Harmer's entitlement to shares through the exercise of EPRs may be adjusted to take account of capital reconstructions and bonus issues.

Voting exclusion statement

As this Resolution is connected with the remuneration of a member of the key management personnel for the Company, the Company will disregard any votes cast on Resolution 2:

- by Mr Harmer or any of his associates; or
- by a member of the key management personnel or any of their Closely Related Parties as a proxy,

unless the vote is cast as a proxy for a person entitled to vote on Resolution 2:

- in accordance with the directions on the voting form; or
- by the Chairman of the meeting following express authorisation on the voting form to vote as she sees fit.

Only ordinary shareholders may vote on Resolution 2.

What do the Directors recommend?

The Directors (other than Peter Harmer) recommend that you vote "For" the Resolution. The Chairman intends to vote available proxies given to her "For" the Resolution.

EXPLANATORY NOTES

ASX Listing Rule 14.5 requires that the Company holds an election of Directors each year. The Constitution requires one third of eligible Directors to retire from office at each AGM.

WHO IS STANDING FOR ELECTION?

Helen Nugent and Duncan Boyle have been appointed to the Board since the last AGM and offer themselves for election.

WHO IS STANDING FOR RE-ELECTION?

Thomas Pockett retires by rotation in accordance with the Company's Constitution and offers himself for re-election.

RESOLUTION 3



HELEN NUGENT BA (Hons), PhD, MBA, HonDBus

Dr Helen Nugent was appointed a Director of IAG in December 2016. She is chair of IAG's People and Remuneration Committee and a member of the Audit Committee and the Nomination Committee.

Other business and market experience

Helen is Chairman of Australian Rail Track Corporation, Ausgrid and the National Disability Insurance Agency.

She has over 30 years' experience in the financial services sector. This includes having been Chairman of Veda Group, Funds SA, Swiss Re (Australia) and Swiss Re (Life and Health) Australia, as well as having been a Non-Executive Director of Macquarie Group, Origin Energy, Mercantile Mutual, and the State Bank of New South Wales.

Other former senior roles include Director of Strategy at Westpac Banking Corporation; Professor and Director of the MBA Program at the Australian Graduate School of Management; and Principal of McKinsey & Company, where she specialised in the financial services and resources sectors.

Helen has given back to the community in education and the arts, having been Chancellor of Bond University, President of Cranbrook School, Chairman of the National Opera Review, Chairman of the Major Performing Arts Inquiry, and Deputy Chairman of Opera Australia. She is currently Chairman of the National Portrait Gallery.

Helen is an Officer of the Order of Australia (AO) and has received a Centenary Medal as well as an Honorary Doctorate in Business from the University of Queensland.

Directorships of other listed companies held in the past three years:

- Origin Energy (2003-2017)
- Veda Group (2013-2016)
- Macquarie Group (1999-2014)

Only ordinary shareholders may vote on Resolution 3.

What do the Directors recommend?

The Directors (other than Helen Nugent) recommend that you vote "For" the Resolution.

RESOLUTION 4



DUNCAN BOYLE BA (Hons), FCII, FAICD

Duncan Boyle was appointed a Director of IAG on 23 December 2016. He is a member of IAG's Audit Committee, Risk Committee and Nomination Committee.

Other business and market experience

Duncan is Chairman of TAL Dai-ichi Life, and a former Non-Executive Director of QBE Insurance Group, Stockland Group and Clayton Utz.

Duncan's executive career has included senior roles with a variety of financial and corporate institutions, including Royal and Sun Alliance Insurance. He also held various board roles with the Association of British Insurers, Insurance Council of Australia, Global Aviation Underwriting Managers, AAMI and APIA.

Directorships of other listed companies held in the past three years:

- Stockland Group (2007-2015)
- QBE Insurance Group (2006-2014)

Only ordinary shareholders may vote on Resolution 4.

What do the Directors recommend?

The Directors (other than Duncan Boyle) recommend that you vote "For" the Resolution.

EXPLANATORY NOTES

RESOLUTION 5



THOMAS POCKETT

CA, BCom

Thomas Pockett was appointed as a Director of IAG effective 1 January 2015. He is chair of IAG's Audit Committee and a member of the Risk Committee and the Nomination Committee.

Other business and market experience

Thomas is Chairman and Non-Executive Director of Stockland Group; Chairman and Non-Executive Director of Autosports Group Limited; and a Director of Sunnyfield Independence Association and of O'Connell St Associates. He previously spent over 11 years as Chief Financial Officer and over seven years as Finance Director with Woolworths Limited, and retired from these roles in February 2014 and July 2014 respectively. Thomas has also held senior finance roles at the Commonwealth Bank, Lend Lease Corporation and Deloitte.

Directorships of other listed companies in the last three years:

- Autosports Group Limited (2016-present)
- Stockland Group (2014-present)
- Woolworths Limited (2006-2014)

Only ordinary shareholders may vote on Resolution 5.

What do the Directors recommend?

The Directors (other than Thomas Pockett) recommend that you vote "For" the Resolution.

FURTHER INFORMATION

If you would like any further information regarding the AGM, please contact the Company's share registry on 1300 360 688 if calling from within Australia; +61 (0) 3 9415 4210 from outside Australia; or visit the IAG website at www.iag.com.au/shareholder-centre/annual-meetings.

DETAILS OF THE MEETING

IAG's 2017 AGM will be held on Friday, 20 October 2017 from 10.00am at the Wesley Conference Centre, 220 Pitt Street, Sydney. It will be webcast at www.iag.com.au/shareholder-centre/annual-meetings.

GETTING THERE

Train

The closest train station is Town Hall (all suburban lines). For information about train times, please call 131 500.

Bus

For more information about bus routes and timetables, please call 131 500.

Parking

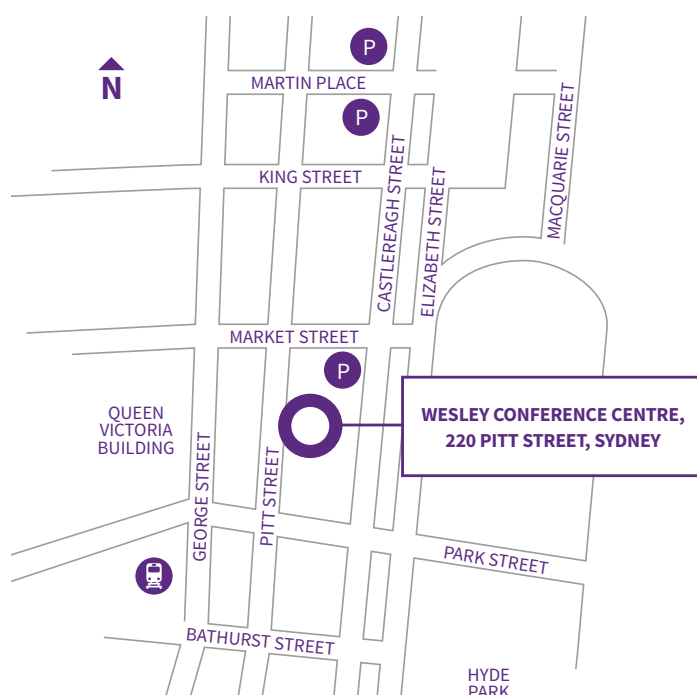
The closest parking station is Secure Parking situated beneath the Piccadilly Shopping Centre; entry is via 137 Castlereagh Street, Sydney.

INFORMATION ABOUT IAG

You can read about IAG's performance for the 2017 financial year in its summary annual review and detailed annual report, which are available by contacting our share registry or by visiting www.iag.com.au.

FURTHER INFORMATION

If you would like any further information regarding the AGM, please contact the Company's share registry on 1300 360 688 if calling from within Australia, or +61 (0) 3 9415 4210 from outside Australia, or visit the IAG website at www.iag.com.au/shareholder-centre/annual-meetings.





AUSTRALIA



SGIO

SGIC



coles Insurance²

NEW ZEALAND



Lumley

VIETNAM



MALAYSIA



INDONESIA

ASURANSI
PAROLAMAS⁷

100% owned unless marked with a footnote

1 IAG's short tail personal insurance products are distributed in Victoria under the RACV brand, via a distribution relationship and underwriting joint venture with RACV. These products are distributed by RACV and manufactured by Insurance Manufacturers of Australia Pty Limited (IMA), which is owned 70% by IAG and 30% by RACV.

2 IAG owns 100% of WFI Insurance Limited (WFI), the underwriter of general insurance products under the Coles Insurance brand. These products are distributed by Coles under an authorised representative agreement with WFI.

3 IAG owns 63.17% of AAA Assurance Corporation, based in Vietnam.

4 IAG holds a 98.61% beneficial interest in Safety Insurance, based in Thailand, which trades under the Safety and NZI brands.

5 IAG owns 26% of SBI General Insurance Company, a joint venture with State Bank of India.

6 IAG owns 49% of the general insurance arm of Malaysian-based AmBank Group, AmGeneral Holdings Berhad (AmGeneral), which trades under the AmAssurance and Kurnia brands.

7 IAG owns 80% of PT Asuransi Parolamas, based in Indonesia.

All ownership percentages are as at 30 June 2017.



MR JOHN SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

NEED ASSISTANCE?



Phone:

1300 360 688 (inside Australia)
+61 (0) 3 9415 4210 (outside Australia)



Questions:

Questions can be lodged on the form enclosed or online at www.investorvote.com.au



Mail:

Share Registry
Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne Vic 3001 Australia



YOUR VOTE IS IMPORTANT

For your vote to be valid, your voting instruction must be received by 10.00am (Sydney time) on Wednesday, 18 October 2017.

VOTING FORM

HOW TO VOTE ON ITEMS OF BUSINESS

Voting 100% of your holding:

You are able to vote directly or instruct your proxy how to vote by marking one of the boxes opposite each item of business. Your proxy may vote or abstain, to the extent permitted by law, as they choose, if you do not mark a box on an item of business.

If you mark more than one box on an item of business your vote will be invalid on that item.

Voting a portion of your holding:

You are able to indicate a portion of your voting rights directly, or instruct your proxy how to vote, by inserting a percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast by you on each resolution must not exceed your voting entitlement or 100%.

Appointing a second proxy:

You are entitled to appoint up to two proxies to attend a meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each overleaf.

A proxy may be an individual or a body corporate, and need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: The Voting Form must be signed by the securityholder or the securityholder's duly authorised attorney.

Joint Holding: The Voting Form must be signed by each of the joint securityholders personally or by their duly authorised attorneys.

Power of Attorney: If you have not already lodged your Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

ATTENDING THE MEETING

Bring a copy of this form to assist registration. If a representative of a corporate securityholder or corporate proxy is to attend the meeting you will need to provide a "Certificate of Appointment of Corporate Representative" prior to admission. This certificate may be obtained from Computershare online at www.investorcentre.com under the help tab, "Printable Forms" at the top of the page.

VIEWING THE MEETING ON THE INTERNET

The Annual General Meeting will be webcast at

www.iag.com.au/shareholder-centre/annual-meetings on 20 October 2017 from 10.00am (Sydney time). An archived recording of the meeting will be available shortly after the meeting.

Documents may be lodged:

VIA THE INTERNET

Use your computer or smartphone to vote online at www.investorvote.com.au using your secure access
Control Number: 123456
SRN/HIN: I1234567890
Postcode: 1234
For Intermediary Online subscribers (custodians) use www.intermediaryonline.com

BY FAX

Please fax your completed form to (03) 9473 2555 within Australia or +61 (0) 3 9473 2555 if you are outside Australia.

BY MAIL

Share Registry
Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne Vic 3001
Australia

IN PERSON

Share Registry
Computershare Investor Services Pty Ltd
Level 4, 60 Carrington Street
Sydney NSW 2000
Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential

VOTING FORM

MR JOHN SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



I 1234567890 I N D

Please mark ☒ to indicate your directions

STEP 1

INDICATE HOW YOUR VOTE WILL BE CAST – Select one of the two options only

XX

At the Annual General Meeting of Insurance Australia Group Limited (the Company) to be held at the Wesley Conference Centre, 220 Pitt Street, Sydney on Friday, 20 October 2017, from 10.00am (Sydney Time) and at any adjournment of that meeting I/we being members of the Company and entitled to vote direct the following:

1. VOTE DIRECTLY OR

☐

Record my/our votes strictly in accordance with the directions below.
For a valid Direct Vote to be recorded you must mark either FOR, AGAINST or ABSTAIN on each item.

2. APPOINT A PROXY TO VOTE ON YOUR BEHALF:

☐

The Chairman
of the Meeting OR

The name of the person or body corporate you are appointing if this person is someone other than the Chairman of the Meeting.

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, and to vote in accordance with the following directions (or, if no directions have been given, to the extent permitted by law, as the proxy sees fit).

Chairman of the Meeting authorised to exercise proxies on remuneration related resolutions (Resolutions 1 and 2): Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default) then by submitting this form, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy on Resolutions 1 and 2 (except where I/we have indicated a different voting intention by marking the boxes in Step 2 below), even though Resolutions 1 and 2 are connected with the remuneration of the key management personnel of the Company (which includes the Chairman of the Meeting).

STEP 2

ITEMS OF BUSINESS

Please mark **X** within the box to indicate your directions. If you mark the abstain box for a particular item, you are directing that your vote will not be counted on a poll and will not be included in the required majority.

The Chairman of the Meeting intends to vote all available undirected proxies, FOR each resolution below. In exceptional circumstances, the Chairman of the Meeting may change her voting intention on any resolution, in which case an ASX announcement will be made.

	FOR	AGAINST	ABSTAIN
(1) To adopt the remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Allocation of Share Rights to Peter Harmer, Managing Director and Chief Executive Officer (CEO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Election of Helen Nugent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Election of Duncan Boyle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) Re-election of Thomas Pockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN

SIGNATURE OF SECURITYHOLDER(S) This section must be completed.

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Contact

Name _____

Securityholder 2

Director

Daytime

Telephone _____

Securityholder 3

Director/Company Secretary

Date ____ / ____ / ____

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