

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

INSURANCE AUSTRALIA GROUP LIMITED

ABN/ARBN

60 090 739 923

Financial year ended:

30 JUNE 2022

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: <https://www.iag.com.au/about-us/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 12 August 2022 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 12 August 2022

Name of authorised officer authorising lodgement: Jane Bowd, Group Company Secretary

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed this in section 3.1 of our Corporate Governance Statement available at our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .  We have also disclosed a copy of our Board Charter at this URL of our website: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/> and we have disclosed this in sections 3.9 and 7.2 of our Corporate Governance Statement available at our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/> and we have disclosed this in sections 3.9 and 7.2 of our Corporate Governance Statement available at our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/> and we have disclosed this in section 3.8 of our Corporate Governance Statement available at our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of our diversity policy on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance/codes-and-policies">https://www.iag.com.au/about-us/corporate-governance/codes-and-policies</a>;</p> <p>and</p> <p>our 2021-22 Workplace Gender Equality Report is available on our website at: <a href="https://www.iag.com.au/careers/diversity-inclusion-and-belonging">https://www.iag.com.au/careers/diversity-inclusion-and-belonging</a>;</p> <p>and</p> <p>our measurable objective for achieving gender diversity in the composition of the Board is not less than 30% of its Directors of each gender within a specified period.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at section 3.10 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a>;</p> <p>and</p> <p>whether a performance evaluation was undertaken for the reporting period in accordance with that process is available at section 3.10 of our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at section 7.3 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a>;</p> <p>and</p> <p>whether a performance evaluation was undertaken for the reporting period in accordance with that process is available at section 7.3 of our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the Nomination Committee on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance/iag-board-committees">https://www.iag.com.au/about-us/corporate-governance/iag-board-committees</a>; and the information referred to in paragraphs (4) and (5) at:</p> <p>section 3.4 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a>;</p> <p>and</p> <p>on pages 1 to 5 of the Directors' Report of the 2022 IAG Annual Report on our website at: <a href="https://www.iag.com.au/results-and-reports">https://www.iag.com.au/results-and-reports</a>.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our Board Skills Matrix at section 3.3 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a>.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.3	A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) the names of the directors considered by the board to be independent directors;</li> <li>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</li> <li>(c) the length of service of each director.</li> </ul>	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: section 3.11 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> ;  and the length of service of each Director at page 9 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> ;  No Non-executive Director has an interest, position or relationship of the type described by Box 2.3, so the recommendation in paragraph (b) is not applicable.	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/> and we have disclosed this at section 3.11 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/> and we have disclosed this at sections 3.5 and 3.6 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> and we have disclosed this in sections 3.9 and 3.12 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at section 2 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> ;	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our Code of Ethics & Conduct on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance/codes-and-policies">https://www.iag.com.au/about-us/corporate-governance/codes-and-policies</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our Group Whistleblower Policy on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance/codes-and-policies">https://www.iag.com.au/about-us/corporate-governance/codes-and-policies</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our Anti-bribery and Corruption Policy on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance/codes-and-policies">https://www.iag.com.au/about-us/corporate-governance/codes-and-policies</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the Audit Committee Charter on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance/iag-board-committees">https://www.iag.com.au/about-us/corporate-governance/iag-board-committees</a>;</p> <p>and the information referred to in paragraphs (4) and (5): is disclosed on pages 1 to 5 in the Directors Report of the 2022 IAG Annual Report which is available on our website at: <a href="https://www.iag.com.au/results-and-reports">https://www.iag.com.au/results-and-reports</a>.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/> and we have disclosed this in section 4.3 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a>.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/> and we have disclosed this in section 4.4 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a>.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>



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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our Continuous Disclosure Policy on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance/codes-and-policies">https://www.iag.com.au/about-us/corporate-governance/codes-and-policies</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/> and we have disclosed this in section 6.1 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/> and we have disclosed this in section 6.1 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about IAG and our governance in section 6 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> ;	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> and we have disclosed information about IAG and our investor relations program in sections 6.2 and 6.3 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> ;  and  in the Shareholder Centre section of our website at: <a href="https://www.iag.com.au/shareholder-centre">https://www.iag.com.au/shareholder-centre</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in section 6.4 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/> and we have disclosed this in section 6.4 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> and we have disclosed this in section 6.2 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the Risk Committee Charter on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance/iag-board-committees">https://www.iag.com.au/about-us/corporate-governance/iag-board-committees</a>;</p> <p>and</p> <p>the information referred to in paragraphs (4) and (5) at:</p> <p>section 3.4 of our Corporate Governance Statement available on our website at <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a>;</p> <p>and</p> <p>on pages 1 to 5 in the Directors' Report of the 2022 IAG Annual Report which is available on our website at: <a href="https://www.iag.com.au/results-and-reports">https://www.iag.com.au/results-and-reports</a>.</p>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
7.2	The board or a committee of the board should: <ul style="list-style-type: none"> <li>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</li> <li>(b) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>	<input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at section 4.1 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement
7.3	A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</li> </ul>	<input checked="" type="checkbox"/> and we have disclosed how our internal audit function is structured and what role it performs in section 4.2 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks and how we manage or intend to manage those risks in section 5 of our Corporate Governance Statement which is available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a> ;  and  in our 2022 Annual Review and Sustainability Report which is available on our website at: <a href="https://www.iag.com.au/results-and-reports">https://www.iag.com.au/results-and-reports</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the People and Remuneration Committee Charter on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance/iag-board-committees">https://www.iag.com.au/about-us/corporate-governance/iag-board-committees</a>;</p> <p>and</p> <p>the information referred to in paragraphs (4) and (5) at:</p> <p>section 3.4 of our Corporate Governance Statement available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a>;</p> <p>and</p> <p>on pages 1 to 5 in the Directors' Report of the 2022 IAG Annual Report which is available on our website at: <a href="https://www.iag.com.au/results-and-reports">https://www.iag.com.au/results-and-reports</a>.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in our Remuneration Report which forms part of the Directors' Report of the 2022 IAG Annual Report (on pages 29 to 53), which is available on our website at: <a href="https://www.iag.com.au/results-and-reports">https://www.iag.com.au/results-and-reports</a>.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our Group Security Trading Policy on this issue on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance/codes-and-policies">https://www.iag.com.au/about-us/corporate-governance/codes-and-policies</a> and described the policy in section 7.1 of the Corporate Governance Statement which is available on our website at: which is available on our website at: <a href="https://www.iag.com.au/about-us/corporate-governance">https://www.iag.com.au/about-us/corporate-governance</a>.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... <i>[insert location]</i>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable



# Corporate Governance Statement 2022



**Insurance Australia Group Limited**

This release has been authorised by the  
Board of Insurance Australia Group Limited  
12 August 2022  
ABN 60 090 739 923

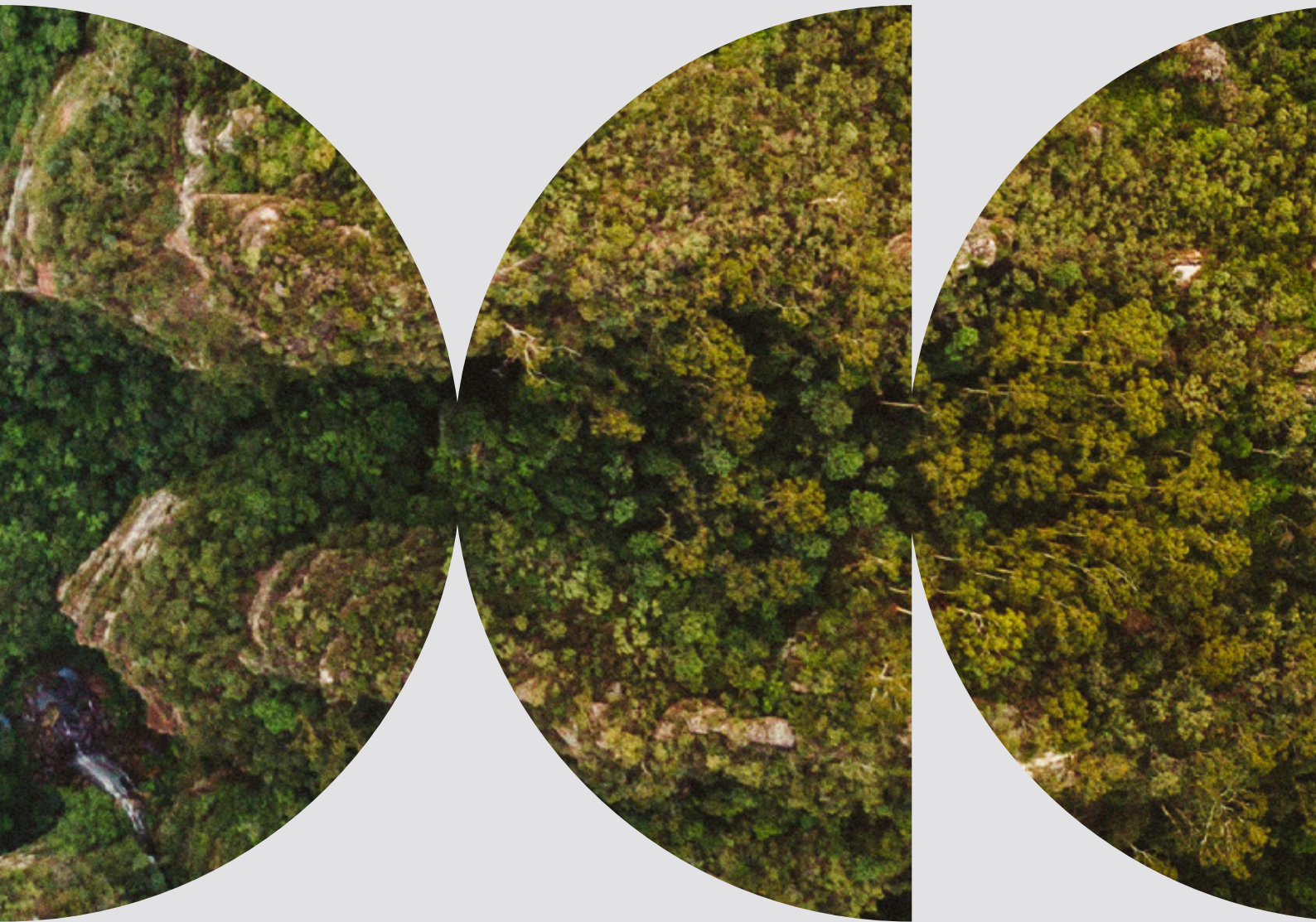
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**Connecting our people to purpose supports the role we play in creating safer and more resilient communities.**



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# Governance at IAG

## At IAG, we believe governance provides the framework that allows us to operate our business to deliver on our purpose and our strategy.

At IAG, this framework includes:

- our purpose and strategy, which provide clarity on the value we bring and our objectives;
- our focus on our customers through our policies, procedures, models, programs and forums;
- the way we apply our Values and Behaviours (**The IAG Way**) and the Code of Ethics & Conduct to guide our people to behave ethically and legally;
- the many policies and practices we have in place, and the activities we encourage (such as community activity), to create a culture which enables our people to strive to deliver personalised service when customers need it most;
- our remuneration policies and practices;
- our risk management framework, policies and practices;
- the way we report to all our stakeholders, including our shareholders, the Australian Securities Exchange (ASX) and our people; and
- our continuous improvement approach, including our commitment to examine and strengthen our governance.

## Our purpose

IAG exists to ‘make your world a safer place’.

From our origins in the 1920s as the insurance business of the National Roads and Motorists’ Association (NRMA), to our CGU Insurance and New Zealand businesses which have provided insurance services for over 160 years, we have a long and proud history of building trusted relationships with customers and communities.

IAG is the largest general insurer in Australia and New Zealand, with more than 8.5 million customers. We recognise that supporting communities is core to our role as an insurer and goes to the heart of making your world a safer place. We also aim for continuous improvement in customer service, so we can be there when people need us most.

Our purpose drives us to work collaboratively with the community to understand, reduce and manage or avoid risk, and to improve preparedness and build resilience. It delivers better outcomes for the community, and ultimately results in fewer claims and lower costs for our business.

By broadening our approach from helping individual customers who have suffered loss, to mitigating the risk of loss for people in the wider community, we also become a more sustainable business over the long term.

Our purpose is the reason we exist. It keeps us focused on delivering our strategy for our people, customers and communities. It unifies us, helps us to make the right decisions, and motivates us build a stronger and more resilient business.

## Focused on our strategic direction

Our long-term financial objective remains the delivery of top quartile Total Shareholder Return, with a sustainable growth profile. To realise this, IAG has set its strategy to ‘create a stronger, more resilient IAG’. We are applying greater focus, adapting our business model, and playing to our strengths to capitalise on trends shaping the operating environment.

Four strategic pillars provide this focus, inform IAG’s operating model, and underpin our three-to-five-year strategy:

### Grow with our customers

- We will grow as Australians and New Zealanders grow by delivering unparalleled personalised service when customers need it most,
- We will strengthen our brands to meet the evolving needs of customers and enable the next wave of growth in small businesses across Australia and New Zealand, and
- We will increase our customer reach to make the world safer for more Australians and New Zealanders.

### Build better businesses

- We will help Australian and New Zealand businesses by continuing to focus on underwriting expertise, active portfolio management and pricing excellence, and
- We will evolve by investing in our core competencies, delivering consistent high-quality returns to shareholders, and enhancing our competitive advantage.

### Create value through digital

- We will create connected digital customer experiences that seamlessly assist and reward customers as they unlock the value of IAG’s network, and
- We will transform the customer experience while re-architecting core platforms and using intelligent automation to capture value.

### Manage our risks

- We will manage the risks in our own business to better manage the risks in our customers’ lives by building a strong, active risk culture and meeting our obligations to the communities we serve,
- We will invest in process, capability, infrastructure and operational excellence to create a stable, scalable and efficient business, and
- We will continue to be innovative and strengthen our capital platform, ensuring our customers are appropriately supported by our financial strength.

Our strategy balances strengthening the fundamentals of insurance with the evolution required to be a digital leader. It aims to deliver a stronger, more resilient organisation with increased customer reach.

## Purpose

We make your world a safer place

## Strategy

Create a stronger, more resilient IAG

### Focus

### Approach

### Outcomes

 <p>Grow with our customers</p>	Deliver outstanding personalised service when our customers need us the most	More customers, more products and greater scale
 <p>Build better businesses</p>	Focus on underwriting expertise, active portfolio management and pricing excellence	Stable and growing earnings over time
 <p>Create value through digital</p>	Create connected experiences that seamlessly assist and reward our customers as they unlock the value of our network	Better customer experiences at a lower cost
 <p>Manage our risks</p>	Actively manage capital and risk in our business so we can continue to manage the risks in our customers' lives	Disciplined execution, enhanced accountability and appropriate returns

## People

Our people are the difference: bringing our purpose to life and delivering our strategy

# 1. Understanding our customers' needs

## 1.1 Customer policies and programs

Our policies and procedures guide our commitment to delivering leading customer experiences. For example, under our **Customer Equity Framework**, we established a Family and Domestic Violence Policy in Australia aimed at ensuring our staff are equipped to deal with customers experiencing family and domestic violence.

We have a number of programs that help improve our understanding of customer needs today and how they might change in the future. To meet customer needs and expectations:

- We carry out detailed customer segmentation
- We have active customer research panels in Australia and New Zealand to provide feedback and guidance on new products, services and customer experiences
- We apply our Values and Behaviours, known as **The IAG Way**, to assess the design of our products and customer experiences
- Our **Customer Connection Program** connects our people to our customers through experiential events, workshops, and storytelling. This program has been expanded to include digitally-enabled virtual sessions
- We have developed a **Customer Journey plan** with teams dedicated to understanding customer needs and continually finding ways to apply innovation to the customer experience

- Our company-wide Heartbeat program provides real-time customer advocacy and feedback on the quality of experience our customers have with us
- We have a team of practitioners who apply **behavioural science** to better understand the drivers of customer decision-making
- Our **Listen Learn Act Framework** ensures our people hear customer voices. By reviewing and discussing what customers tell us, we can continually improve the customer experience
- Our **Customer Prioritisation Model** is embedded into our enterprise project management methodology for initiating and monitoring projects to address key customer irritants

We have additional programs that provide our Board with information about our customers and capture broader consumer insights, including through our Board customer connections sessions.

## 1.2 Board reporting

Company-wide measures of **customer health** are discussed regularly at Board meetings. The Board also receives a report which details a deeper and more extensive review of the health of our customer base. These deep dives include analyses of areas such as customer complaints, call centre operations, value drivers, and customer feedback.

Our **Consumer Advisory Board** facilitates discussion between our senior leaders and consumer advocates about consumer issues in general insurance. It is led and chaired by our Chief Executive Officer (**CEO**) and regularly attended by Board members. Discussions are open, constructive and collaborative, with a view to addressing issues, responding to emerging themes, and devising solutions.

The Consumer Advisory Board includes representatives from CHOICE, Consumer Action Law Centre, Financial Rights Legal Centre, Financial Counselling Australia, the Brotherhood of St Laurence, Good Shepherd, WEstjustice, the University of Technology Sydney, and the NSW Council of Social Service.

Key issues considered at the forum include the affordability and availability of insurance, and the impacts of major issues such as climate change and COVID-19 on consumers, privacy and data. We also look to international and sector-wide developments to inform discussions.

## 2. Culture and governance

We are committed to creating a culture that supports ethical and responsible decision-making for our people and customers. Through The IAG Way and our Code of Ethics & Conduct, we hold our people accountable for ensuring decisions and actions meet our compliance obligations as well as our values.

### 2.1 Our culture – The IAG Way

The IAG Way outlines the behavioural standards we expect of our people. It also helps us achieve our purpose and strategic goals. IAG's values and behaviours are set out on [our website](#).

Since the IAG Way was introduced in 2020, we have sought to ensure its reinforcement throughout the organisation. In the last 12 months, for example, we undertook listening exercises to ensure the business was meeting the needs of our people, which has informed our Enterprise Culture Action Plan.

In addition to our Annual Culture and Quarterly Pulse surveys, Onboarding and Exit surveys have been introduced. We have also launched two Executive Leadership programs focused on building enterprise capabilities, executive behaviours, and mindsets. Tracking and monitoring of our cultural progress against objectives is reported to both Management and the People and Remuneration Committee (**PARC**) on a regular basis.

### 2.2 Encouraging a safe to speak up environment

To support our commitment to instil a culture of acting lawfully, ethically and responsibly, we encourage and expect our people to speak up when things are not right. The IAG Way promotes a sense of safety to speak up through our value of being 'Honest & Upfront'.

#### Group Whistleblower Policy

Employees and others who identify that something isn't right are encouraged to report incidents through the relevant internal channel or to speak to their line manager. We provide an independent whistleblower reporting line which is maintained 24 hours a day, seven days a week. Material cases under the Group Whistleblower Policy are reported to senior management. The Risk Committee is provided with regular reporting on whistleblower matters.

Our [Group Whistleblower Policy](#) is available in the About Us section of our website under Corporate Governance.



2. CULTURE AND GOVERNANCE (CONTINUED)

**2.3 Our Code of Ethics and Conduct**

Our Code of Ethics & Conduct (**the Code**), sets out the behaviours expected of everyone at IAG. Employees complete training on the Code annually as part of ongoing compliance training. The Code applies to all our Directors, officers, employees, and contractors for all entities in which we have majority ownership.

The Code provides our people with principles and a framework to make informed business decisions. It also provides specific guidance on how to make the right decision and do the right thing. When our stakeholders interact with us, we want them to feel assured that we will act in a responsible and ethical way.

Any material breaches of the Code are reported to senior management. The Risk Committee, alongside the Conduct Committee, are responsible for receiving and reviewing reports from management on material breaches of the Code.



**IAG's Ethics Committee**

IAG's Ethics Committee, chaired by ethicist Dr Simon Longstaff (Executive Director, The Ethics Centre), was established as an advisory body in 2017. The Ethics Committee has since provided a forum for navigating ethical issues, including those related to the development of IAG's products and key partner frameworks.

The external members of the Ethics Committee, Dr Longstaff and Ms Samantha Mostyn, provide a valuable outside perspective and offer support and advice to management on ethical challenges. The Ethics Committee will continue to be a valuable source of guidance as we work through social and regulatory concerns about various issues, such as accessibility to insurance.

**2.4 Our Social and Environmental Framework**

IAG's Board-approved Social and Environmental Framework (**the Framework**) outlines our commitments to managing social and environmental risks and opportunities. It provides guidance to employees in relation to IAG's social and environmental commitments. Relevant commitments in the Framework are also included across IAG's policies, including the [Code of Ethics and Conduct](#), [Group Procurement Policy](#), [Supplier Code of Conduct](#), and [Responsible Investment Policy](#).

**2.5 We prioritise compliance with all relevant laws and regulations**

We have systems, frameworks, and processes in place to manage compliance with relevant laws and regulations, including an independent risk and compliance division, policies and processes, reporting and incident management procedures, and training programs.

Our Code outlines the standards and behaviours expected of our people and includes a section relating to bribery and corruption and conflicts of interest. The [Group Anti-Bribery and Corruption Policy](#) and the [Group Conflicts of Interest Policy](#) support our Code. Together, they prohibit bribery and corruption and set out IAG's requirements in relation to the management of bribery and corruption risks, conflicts of interest, and compliance with relevant laws and regulations.

To help ensure there is a fair market for our securities, we have a Group Security Trading Policy. This Policy reinforces the fact that all Directors, employees and contractors are responsible for exercising care when trading in IAG's securities. We use the Group Security Trading Policy and appropriate controls to mandate that designated people who are covered by the Policy can only trade IAG securities in defined circumstances.

The Code and IAG's key policies are available in the About Us section of our website under Corporate Governance.

## 3. Purpose, culture and our customers' experience

We believe that governance starts with the right 'tone from the top'. Having a governance framework in place protects IAG's interests for the benefit of all its stakeholders.

Our [Board](#) and [Group Leadership Team](#) define and promote our culture. They foster purpose-led decision-making across all levels of the organisation, and encourage a focus on customers in everything we do.

### 3.1 Our Board

Our Board's role is to ensure there is a proper governance framework in place to promote and protect our interests for the benefit of stakeholders.

The Board collectively oversees and governs the company's strategy, policies and performance through the lens of our purpose.

The role of the Board and the matters expressly reserved for the Board and delegated to Management are set out in the Board Charter, which is available in the About Us section of our website under Corporate Governance.

The qualifications and experience of each Director and their appointment date/term of office are set out on pages 1 - 4 of the Annual Report 2022.

The Directors who comprise our Board as at publication of this Corporate Governance Statement on 12 August 2022 are:

This is our Board of Directors for FY22.



**1 Simon Allen**  
BCom, BSc, CFInstD –  
Independent Non-Executive Director  
Appointed November 2019.

**2 David Armstrong**  
BBus, FCA, MAICD –  
Independent Non-Executive Director  
Appointed September 2021.

**3 George Sartorel**  
MBA – Heriot-Watt University  
Independent Non-Executive Director  
Appointed September 2021.

**4 Tom Pockett**  
BCom, BA –  
Chairman and Independent  
Non-Executive Director  
Appointed January 2015.

**5 Michelle Tredenick**  
BSc, FAICD, F Fin –  
Independent Non-Executive Director  
Appointed March 2018.

**6 Sheila McGregor**  
BA (Hons), LLB, AICD Diploma –  
Independent Non-Executive Director  
Appointed March 2018.

**7 Scott Pickering**  
ANZIIF  
Independent Non-Executive Director  
Appointed November 2021.

**8 Dr Helen Nugent AC**  
BA (Hons), PhD, MBA (Dist),  
HonDBus, HonDUniv –  
Independent Non-Executive Director  
Appointed December 2016.

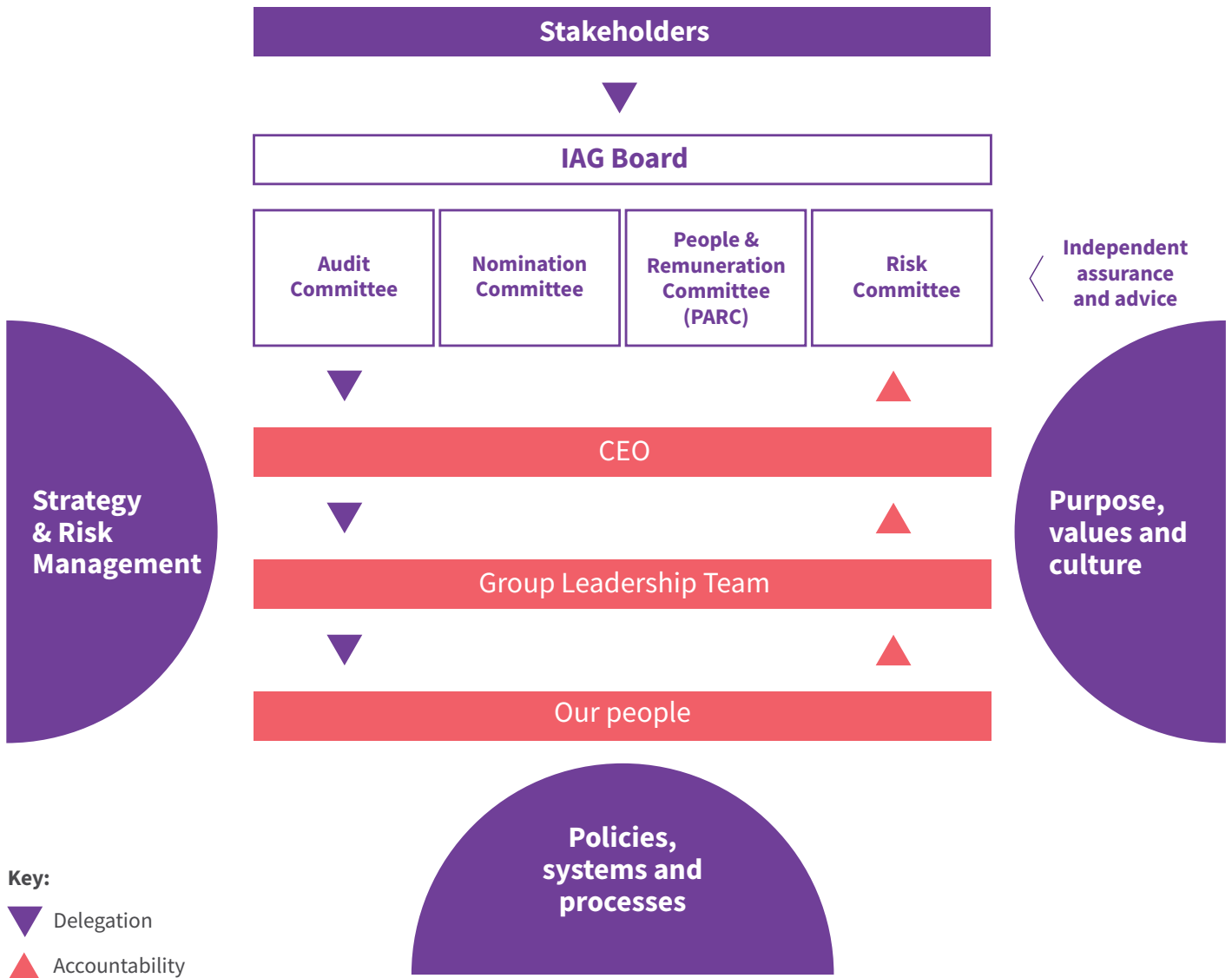
**9 Nick Hawkins**  
BCom, FCA –  
Managing Director and CEO  
Appointed November 2020.

**10 George Savvides AM**  
BEng (Hons) (UNSW), MBA (UTS), FAICD –  
Independent Non-Executive Director  
Appointed June 2019.

**11 Jonathan Nicholson**  
BA  
Independent Non-Executive Director  
Appointed September 2015.

3. PURPOSE, CULTURE AND OUR CUSTOMERS' EXPERIENCE  
(CONTINUED)

Governance framework



### 3.2 Board Renewal

In FY21-22, the Board underwent a renewal process with the appointment of David Armstrong and George Sartorel (effective 1 September 2021) and Scott Pickering (effective 1 November 2021), and the retirement of Elizabeth Bryan and Duncan Boyle at the conclusion of the AGM on 22 October 2021. David Armstrong and George Sartorel were elected by shareholders at the 2021 AGM, and Scott Pickering will stand for election at the 2022 AGM.

### 3.3 Board skills matrix

The Board comprises 10 independent Non-Executive Directors and an Executive Director, Nick Hawkins, our CEO.

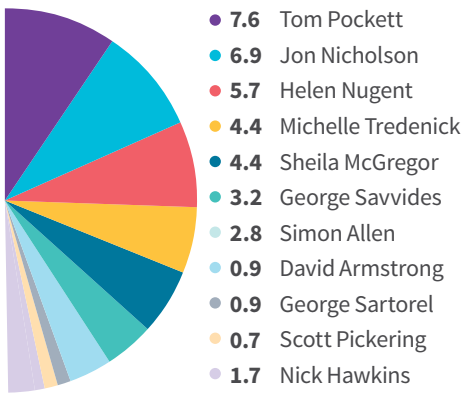
We believe the Board’s composition appropriately reflects our size, market position, complexity, and strategic focus.

The Board has a skills matrix covering the range of competencies and experience of each Director. This skills matrix is reviewed by the Nomination Committee at least annually, and when the need for a new or replacement Director is identified, the required experience and competencies of the incoming Director are reviewed in the context of the existing skill matrix and any gaps which may exist at that point in time.

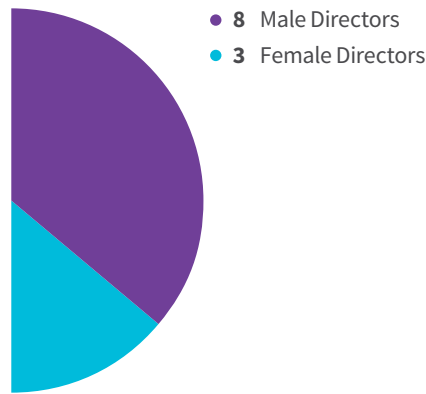
The Board regularly reviews its competencies and composition to ensure it:

- pro-actively manages Board renewal
- continues to have an appropriate mix of skills, knowledge, experience, independence, and diversity that complements the company’s business and strategy and
- identifies any gaps or opportunities to enhance its skills, in each case having regard to our operations and strategy.

**Director Tenure (Years)**



**Board Gender**





3. PURPOSE, CULTURE AND OUR CUSTOMERS' EXPERIENCE  
(CONTINUED)

**Board skills matrix**

Each icon represents one Director; skill levels are defined as:

High Medium Low None



### 3.4 Board Committees

The Board has four standing Committees to help fulfil its statutory and fiduciary responsibilities.

<b>Audit Committee</b>	David Armstrong (Chair), Sheila McGregor, Helen Nugent, and Scott Pickering
	Assists the Board by overseeing the integrity of IAG's external statutory financial reporting for the Group, tax and financial risks, the provision of high-quality financial and audit related non-financial information that can be relied on by the Board to make informed judgements and the independence of the External Auditor, Internal Auditor, and Chief Actuary.
<b>Risk Committee</b>	Jon Nicholson (Chair), Simon Allen, David Armstrong, George Sartorel, George Savvides, and Michelle Tredenick
	Assists the Board to discharge its risk management and compliance responsibilities including oversight of the material risks of the Group, oversight of the risk management and control systems for adequacy and effectiveness, and oversight of the implementation and operation of the Group's risk management and governance frameworks.
<b>People and Remuneration Committee</b>	George Savvides (Chair), Simon Allen, Jon Nicholson, George Sartorel, and Michelle Tredenick
	Assists the Board to discharge its responsibilities on matters relating to the Group Remuneration Policy, Group remuneration disclosures, the remuneration levels for the Board, remuneration arrangements for the CEO and Group Leadership Team, the Group's equity plans and Group People and Culture strategies and framework including the workplace health and safety framework, and diversity and inclusion strategies.
<b>Nomination Committee</b>	Tom Pockett (Chair), Jon Nicholson, Helen Nugent, and George Savvides
	Assists the Board to discharge its responsibilities by ensuring the Board and the relevant subsidiary Boards of IAG comprise of individuals with an appropriate mix of skills, knowledge, experience, and diversity, and who are best able to discharge the responsibilities of a Director having regard to the present and likely future needs of the Group.

The number of times the Board and each Board Committee met, and attendance at those meetings, is set out on page 5 of the Annual Report 2022.

The [Board](#) and [Board Committee Charters](#) are available in the About Us section of our website under Corporate Governance.

In addition to the Board's standing Committees, the Board establishes ad hoc Committees as and when required – for example, in FY22 the Board established a Due Diligence Committee to oversee the due diligence process in connection with the New Zealand debt issue. This included preparation of the Product Disclosure Statement and related offer documents.

### 3.5 The role of the Chairman

Our Chairman, Tom Pockett, is an independent Non-Executive Director who is responsible for leading the Board and ensuring that it functions as a cohesive and effective group. He provides the fundamental link between Directors, and between the Board and Management.

Tom chairs the Board, the Nomination Committee, and Annual General Meetings, and attends all other Board Committee meetings in an ex-officio capacity. He also chairs the meetings of Insurance Manufacturers of Australia Pty Limited (our joint venture with RACV).

### 3.6 The role of the CEO

Nick Hawkins is IAG's Managing Director and CEO. He manages our businesses subject to the Board's reserved powers, and in line with the policies, budget, corporate plan, strategies, and risk appetite set by the Board. The Board has delegated to the CEO responsibility for the overall management and performance of IAG, including all day-to-day operations and administration of our company.

As well as being responsible for our day-to-day operations, the CEO, together with the Board, has a primary role to ensure appropriate governance frameworks are in place across the business. He also keeps the Board informed with timely, accurate, and clear information to support informed and effective decision-making and ensures that all material matters affecting IAG are brought to the Board's attention.

### 3. PURPOSE, CULTURE AND OUR CUSTOMERS' EXPERIENCE (CONTINUED)

#### 3.7 Our Group Leadership Team

The Board delegates responsibility for the company's day-to-day operations and administration to the CEO, who leads the Group Leadership Team. This team ensures our effective and efficient operation and is responsible for implementing all governance frameworks, including those in relation to risk management and internal controls. The Group Leadership Team also provides the Board with accurate and timely information, including information on the company's operations, financial performance, compliance with material legal and regulatory requirements, and any material breach of The IAG Way and our Code of Ethics & Conduct, in order to support the Board's decision-making processes.

The qualifications and experience of the [Group Leadership Team](#) are set out in the [About Us](#) section of our website under [Corporate Governance](#).

#### 3.8 The role of the Company Secretaries

Our Company Secretaries act as secretaries to the Board and all the Board Committees. They are accountable directly to the Board, through the Chairman, on all matters related to the proper functioning of the Board and Board Committees.

The Company Secretaries are responsible for the smooth running of the Board and Board Committees and advising them on all company secretarial and corporate governance matters. This includes communications with the ASX and relevant regulators, all statutory and regulatory filings, and ensuring proper information flows within the Board and its Committees, and between the Board and senior management.

The Company Secretaries are also responsible for the induction of new Directors and the ongoing professional development of the Board, including the development of the annual Board education and engagement program.

All Directors have unfettered access to the Company Secretaries. The appointment and removal of Company Secretaries is determined by the Board.

The qualifications and experience of our Company Secretaries are set out on pages 4 – 5 of the Annual Report 2022.

#### 3.9 Succession planning and appointing Directors

Our Board is committed to bringing together the best possible combination of individuals so it can serve our shareholders, customers and the community, now and into the future.

It regularly assesses the skills it requires to competently discharge its duties, considering our performance, financial position and strategic direction. The Board uses its Skills Matrix (set out in Section 3.3 above) to identify the specific knowledge, skills, and experience that Directors must possess to secure a position on the Board.

The Board also undertakes ongoing Board succession planning to help it identify potential candidates to be Directors. A formal process for the selection and appointment of Directors is undertaken by the Board's Nomination Committee and the Board.

The Board's Nomination Committee typically assesses candidates when a vacancy arises or if it considers that the Board would benefit from the services of a new Director. Any assessment considers the mix of skills, knowledge, experience, diversity, and the expertise of existing or departing Directors, and how a candidate's competencies will complement and balance the mix of skills required for the Board to operate effectively. External consultants may also be engaged to help identify candidates.

All candidates for Board positions undergo appropriate background checks, including our Fit and Proper assessment, before they are appointed. Any Director appointed during the year must stand for election at the next annual general meeting, along with Non-Executive Directors seeking re-election.

Our Constitution requires all Directors to retire by rotation at least once every three years after their election. Under the Board Charter, the maximum tenure for a Non-Executive Director is 10 years, although the Board has the discretion to invite a Non-Executive Director to stand for an additional term. All material information relevant to whether to elect or re-elect a Director is set out in the Notice of Meeting for the Annual General Meeting provided to shareholders. Director biographies are set out on our website and other information is contained in the Annual Reports.

New Directors are provided with a letter of appointment and participate in a Director induction program. The program includes meeting key people within our business, visiting our customer contact sites, and receiving a Director Induction Guide to help them understand the role of the Board, our values, our corporate governance principles, and Directors' rights and obligations. These obligations include the requirement to follow our [Code of Ethics & Conduct](#), the [Group Anti-Bribery and Corruption Policy](#), the [Group Continuous Disclosure Policy](#), and our [Security Trading Policy](#).



**Peter Horton**

Group General Counsel & Company Secretary



**Jane Bowd**

Group Company Secretary

### 3.10 Board evaluation

We believe that superior Board performance underpins good governance and better outcomes for our customers and other stakeholders. The Board continuously reviews its performance, and consistent with industry best practice, commissions a formal independent review of its performance annually.

The last independent review of the Board's performance was conducted in April 2021. In light of the significant Board renewal completed in late 2021, we have scheduled the next Board Evaluation to occur in November 2022, as this will enable the three new Directors appointed to the Board to have participated in a full calendar cycle before the Board next evaluates its performance. The Board also conducts an annual assessment of the performance of each Board Committee against its Charter; these assessments occurred during the reporting period.

### 3.11 Director independence

We believe Director independence contributes to good governance and delivers superior outcomes for all our stakeholders by encouraging the constructive challenging of management.

The Board considers a Director to be independent if he or she is free from any interest, position or relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of his or her independent judgement.

The Board has determined that it must comprise a majority of independent Non-Executive Directors and that the Chairman must be an independent Non-Executive Director. During the reporting period, with the exception of the CEO, all the other Directors on the Board were independent Non-Executive Directors, applying the independence definition of the ASX Corporate Governance Council.

At the time of publication of this document, the independent Non-Executive Directors on the Board were:

1. Tom Pockett
2. Simon Allen
3. David Armstrong
4. Sheila McGregor
5. Jon Nicholson
6. Helen Nugent
7. Scott Pickering
8. George Sartorel
9. George Savvides
10. Michelle Tredenick

All our Directors are assessed annually against formal standards to determine their independent status. Additional assessments are conducted more promptly if a Director considers their independent status may have changed. Directors are required to advise the Board on an ongoing basis of any personal interest they believe may conflict with the company's interests.

Conflicts of interest, including related party transactions, are a standing agenda item and are considered by the Board and Board Committees at each meeting. If a potential conflict is identified, the relevant Director or the Board may determine that they should not receive documents related to or take part in discussions or decisions in respect of, that matter.

The [Standards for Assessing the Independence of a Director](#) are available in the About Us section of our website under Corporate Governance.

### 3.12 Director education and training

We provide our Directors with a comprehensive program of ongoing education and training, which is typically aligned with the Board calendar.

The Board Education Program (**the Program**) is structured to align with the company's strategic pillars.

The Program comprises formal education sessions, customer connection sessions, and other business and employee engagement opportunities. As part of this Program, we also periodically assess the need for Directors to undertake professional development to maintain the skills and knowledge required to perform their roles effectively.

During the 2022 financial year, Directors participated in education sessions covering a broad range of topics. These included deep dives on the company's reinsurance arrangements, the company's marketing strategy, a holistic view of claims management across the business and the implementation of the updated General Insurance Code of Practice. Wherever possible, the sessions are Trans-Tasman in content.

We believe our Program is a key part of, and contributes to, the company's foundation of good governance by keeping our Directors up-to-date with the latest knowledge and information relevant to our business and strategy, and by ensuring they have connections with customers and our people, beyond Board, Committee and shareholder meetings.

Board members regularly attend the Consumer Advisory Board meetings.

### 3.13 Subsidiary Entity Governance

IAG is the ultimate holding company of a number of subsidiary entities, some of which are either prudentially regulated or hold licences issued by regulatory authorities. IAG has two significant subsidiaries – namely (a) IAG New Zealand and (b) its 70% joint venture interest in Insurance Manufacturers Australia (IMA). Reflecting the size and importance of these two entities to the IAG Group, IAG Board Members and/or Members of the Group Leadership Team also serve as Directors of these entities.

The activities of each subsidiary company in the Group are overseen by that company's own board of directors, and also at management levels through systems, structures, policies and procedures which enable good decision-making processes at all levels. IAG's Subsidiary Governance Framework sets out the corporate governance requirements for subsidiaries operating within the IAG Group environment, including different roles and responsibilities of subsidiaries, their boards and management.

## 4. Managing risk

### Understanding and managing risk is at the heart of our purpose and delivering our strategy.

We are focused on improving the way we manage risk and on ensuring our Risk Management Framework remains appropriate – given our evolving size, business mix, and complexity – and that it is fully embedded in our business. We are adapting our risk management processes to align with rising community and stakeholder expectations, heightened regulatory focus, and our strategy.

Risk culture and behaviours are the foundation for appropriate risk management, governance, and business sustainability. Our core goal is to conduct our business in a way that is aligned with our purpose. We manage conduct-related matters and risks through an enterprise-wide approach to risk and associated practices.

#### 4.1 Our Risk Management Framework

The Board is responsible for setting our Risk Management Framework and Risk Management Strategy. It is assisted by the Risk Committee, which recommends the Risk Management Framework and Risk Management Strategy and other key risk documents (e.g. the Risk Appetite Statement, Reinsurance Management Strategy and selected IAG policies) to the Board for approval.

The Risk Committee also satisfies itself on the contents of the annual APRA Risk Management Declaration, including the disclosure of matters based on risk reviews conducted during the period.

The Board receives information on significant risk matters and regular updates from the Chairman of the Risk Committee.

The Group Chief Risk Officer and risk function provide regular reports to the Risk Committee on the operation of the Risk Management Strategy, the status of key risks, risk and compliance incidents, and risk framework changes.

The Risk Committee considers our enterprise risk profile, risk appetite and core risk documents annually, and maintains regular oversight of the Risk Management Framework (in addition to the annual review process) to satisfy itself that it continues to be sound and that the company is operating with due regard to the risk appetite set by the Board. In addition, members of the Group Leadership Team report to the Risk Committee on the operation of the Risk Management Frameworks embedded in their respective business divisions. Each of the above-listed reviews were undertaken during the reporting period.

#### Our approach to risk management has Three Lines of Defence:

- The First Line is our operational managers (risk owners), who own and manage their risks
- The Second Line is typically our risk management and compliance teams (risk advisors and risk specialists)
- The Third Line is our independent audit team

Members of the Group Leadership Team are responsible for managing risks faced by their business divisions and embedding risk management processes and culture by:

- Setting the risk management tone and commitment at the top
- Ensuring their division complies with the requirements of the Risk Management Framework, Risk Management Strategy, Board-approved policies and all applicable regulatory and legal requirements
- Embedding divisional risk owner responsibilities
- Ensuring there are divisional and regional risk teams that have resources appropriate to the nature, scale, and diversity of the division, and the necessary standing and support
- Using risk management processes as part of key decision making
- Ensuring the business operates within our risk appetite
- Regularly receiving and considering risk management reports
- Promoting and reinforcing our proactive risk management culture

#### 4.2 Group Internal Audit Function

Our Board-established Group Internal Audit function is a key component of our Governance Framework and our Third Line of Defence (set out above at Section 4.1).

Group Internal Audit evaluates and improves the effectiveness of internal controls, governance processes and overall risk management. Its role is to:

- assure the Board that the financial and operational controls designed to manage our risks and achieve our objectives are operating in an efficient, effective and ethical manner
- assist management to improve our business performance

For our Group Internal Audit function to be effective, it must be independent. The Executive General Manager, Internal Audit, reports functionally to the Audit Committee, and administratively to the Chief Financial Officer (CFO), and has direct access to the CEO and the rest of the Group Leadership Team.

#### 4.3 Assurances

The CEO and CFO have assured the Board that the annual declaration provided in accordance with section 295A of the *Corporations Act 2001* (Cth) and the equivalent declaration provided at the half-year are founded on a sound system of risk management and internal controls, and that the system is operating effectively.

#### 4.4 Verification of periodic corporate reports

The Group's external auditor audits – or in the case of the half-year – reviews, the Group's financial reports to provide an opinion that they are in accordance with the relevant corporate regulations, including with accounting standards. Where a corporate report is not subject to audit or review by an external auditor, Management adopts a comprehensive process to prepare, verify and satisfy itself that the report is balanced and materially accurate, and provides investors with appropriate information to make informed investment decisions.

The verification process includes management and operational reviews by the responsible senior executives. It involves cross-checking statements and documenting the various sources of information and data to original source reports, with consultation within IAG and with external parties where appropriate. All material documents released to the market are subject to final sign-off and approval by the relevant members of the Group Leadership Team, the CEO, and the Board.

In the case of the (a) Annual Review and Sustainability Report and (b) Annual Modern Slavery Statement, IAG uses an independent assurance provider to verify that certain data sets have been prepared and presented appropriately in all material respects.

The Board and its Committees review and approve statutory and other material corporate reports prior to their release to the market. All other periodic corporate reports are submitted for approval to the Continuous Disclosure Committee, comprising of senior executives including the CEO and CFO. For more details on our Continuous Disclosure Committee, please refer to our Group Continuous Disclosure Policy available in the About Us section of our website under Corporate Governance.

#### 4.5 Approach to Tax

IAG's tax strategy is focused on integrity in compliance, reporting and enhancing shareholder value. The strategy is implemented through IAG's Tax Governance Framework. This Framework is approved by the Board and supported by governance processes which ensure it is implemented with continued effectiveness.

The framework and supporting governance processes include an escalation requirement for key tax-related risks that are outside of the parameters approved by the Board.



## 5. Sustainability/ESG

### 5.1 Our sustainability approach

IAG's core business and value chain are exposed to a broad range of interconnected Environmental, Social, and Governance (**ESG**) risks. IAG insures individuals, households, and businesses against the impacts that climate-related hazards can have on their assets, and plays an important role in supporting building resilient communities.

Climate and disaster resilience is our most material ESG issue. It is where we dedicate the most focus, including by working with governments and partners like the State Emergency Services in NSW and South Australia, and Habitat for Humanity in New Zealand, to improve community preparedness to climate-related hazards.

Other ESG priorities include Indigenous engagement, diversity, inclusion and belonging, advancing leadership opportunities for women, and protecting the safety and wellbeing of employees by reducing lost-time injury frequency rates.

### 5.2 Social and environmental risks

IAG's exposure to ESG risks is identified and assessed as part of its enterprise wide risk management framework. Through risk profiling, trend analysis, and an annual materiality process, information on these risks is collected and reported to the Group Leadership Team (**GLT**) and the Board. It is used to update IAG's strategy at appropriate intervals.

The IAG Safer Communities, ESG and Climate Steering Committee meets quarterly to shape, guide, and monitor implementation of IAG's Sustainability Strategy. It is chaired by the Group Executive, People Performance and Reputation, and comprises senior leaders from across the Group, including the Chief Insurance and Strategy Officer.

This year an 'Inadequate Climate Change Response' was reconfirmed as an enterprise risk. This reflects the potentially material financial impact on IAG from climate change in the long term without further action. To better manage this impact, in November 2021 IAG launched its FY22-24 Climate & Disaster Resilience Action Plan. This sets out the commitments and activities that enable IAG to respond to climate change and to deliver on its strategy. For more information on how we are managing climate risks and opportunities see IAG's Climate-related disclosure.

Details of our material ESG risks, how we manage these risks, and information about our other sustainability activities are set out in the [Annual Review and Sustainability Report 2022](#), and on our [website](#).

More information on our ESG risks is outlined in Section C of the Strategy and Risk Management section of the [Annual Report 2022](#).

# 6. Continuous disclosure and shareholder engagement

## 6.1 Continuous Disclosure

As part of our ongoing governance practices, the [Group Continuous Disclosure Policy](#) was reviewed and updated in FY21. This policy sets the basis for a clear, succinct, and streamlined continuous disclosure process.

All financial results and media releases that we announce to the market via the ASX market announcements platform are posted to our website. The website also includes:

- information about IAG's operations and corporate governance policies
- a [Shareholder Centre](#) that has share price and dividend payment histories, and a link to our share registry where shareholders can manage their shareholdings
- details of our [Safer Communities](#) activities, including our climate action plan and ongoing performance against our ESG commitments

As part of our commitment to facilitate an efficient and informed market in IAG securities, all new and substantive investor and analyst presentation materials are released to the market before the presentation.

The Board receives copies of all material market announcements either before or promptly after they have been released to the market.

The [Group Continuous Disclosure Policy](#) is available in the [About Us](#) section of our website under [Corporate Governance](#).

## 6.2 Other Shareholder Communications

IAG communicates formally with all our shareholders at least three times a year at:

- our half-year results announcement and any accompanying dividend payment
- our full-year results announcement (including the annual report) and any accompanying dividend payment, and
- through our Annual General Meeting (AGM).

In addition to the above, IAG also held a business update for investors on 7 December 2021, at which Management outlined their business strategy and strategic initiatives.

We actively encourage our shareholders to embrace the benefits of electronic communication. Shareholders can receive communications from, and send communications to, IAG and our share registry electronically. As at 8 July 2022, approximately 35% of shareholders were registered to receive notices electronically. Communications (including AGM materials, dividend advice, and holding balance statements) are available on our website and through our share registry, Computershare.

We also maintain an email alert system that advises investors, beneficial owners and any other interested parties when important media releases, financial announcements, presentations, and annual reports are released to the ASX.

We actively promote these features to all our shareholders on dividend payment statements and in AGM materials.

## 6.3 Investor Relations Program

We have an active investor relations program that facilitates effective two-way communication with investors. This includes:

- post-results meetings with domestic and offshore institutional investors, which take place every six months pre-AGM meetings with our largest shareholders and the major governance advisory bodies, and
- periodic presentations on our strategy or specific aspects of our business, as appropriate.

In light of the 'first strike' that was received against IAG's FY21 Remuneration Report at the 2021 AGM, the Board and PARC Chairmen also engaged with our largest shareholders and governance advisory bodies in May and June 2022 in order to better understand the reasons for the strike and to discuss IAG's approach to remuneration matters.

We continue to examine ways to actively engage with our substantial retail shareholder base.

Information about IAG and its corporate governance arrangements is available to shareholders on the Corporate Governance section of our website.

## 6.4 Annual General Meeting

We encourage shareholders to participate in the AGM and ask questions of the Chairman and the Board. Shareholders are provided with an opportunity to ask questions or make comments ahead of, or during, the AGM.

In the past two years, COVID-19 resulted in IAG's AGM being held online. This was consistent with our purpose – 'to make your world a safer place' – and we aimed to ensure that the online AGM allowed as many shareholders as possible to participate. Our upcoming AGM will be held on 21 October 2022 and we are optimistic that the meeting can be held in person at the Wesley Centre, Sydney. We will also have an online capability to provide shareholders who cannot attend the physical meeting to participate virtually. If the safety of our shareholders and our people require an online meeting only, we will ensure that it will be a fulsome and meaningful AGM and that, again, as many shareholders as possible can participate.

We provide clear and informative meeting notices and other communications, and all our meeting materials are available in the [Shareholder Centre](#) area of our website.

The external auditor attends the AGM and is available to respond to questions on the Annual Financial Report. We offer shareholders and their authorised intermediaries (such as custodians) online proxy and direct voting to make it easy for them to vote on resolutions put to general meetings. Shareholder voting is conducted by a poll, consistent with the ASX Corporate Governance Principles and Recommendations, and the *Corporations Act 2001* (Cth).

We also webcast the AGM live so it can be viewed by shareholders and other interested parties online. Shortly after the meeting concludes, we make available on our website an archived video of the webcast and a transcript of the complete meeting.



## 7. Remuneration and performance

IAG's remuneration framework provides a mechanism for encouraging and enforcing good governance.

### 7.1 Group remuneration and culture

We regularly review our Remuneration Policy's effectiveness and compliance with relevant regulatory requirements, including APRA CPS 510 Governance and CPS511 Remuneration. The key principles underpinning our approach are that remuneration should:

- Support our purpose and alignment to shareholder outcomes
- Promote accountability and effective risk management
- Be simple, fair and equitable
- Support attraction and retention of talent
- Reduce non-financial risk
- Provide flexibility

The way we measure and reward performance is designed to promote our purpose-led culture. We monitor changes in our key people measures, such as employee engagement and leadership agility, on a quarterly basis, with annual performance on these measures contributing to senior executives' variable remuneration outcomes. Our short-term incentive plans also have a Conduct Gateway.

In order to receive a short-term award, individuals are also required to satisfactorily complete compliance training courses. These courses are designed to ensure participants know how to protect IAG's customers, operate in a fair and transparent manner, and are compliant with the appropriate regulations.

The Board retains overriding discretion to adjust all forms of variable pay (upwards, downwards, and to zero). This discretion applies to both variable pay awards made in the current year and unvested awards from prior years. The Board's ability to apply discretion in this way serves to ensure reward outcomes appropriately reflect performance, including as they relate to risk management.

Risk is an important factor in the way we assess senior executives' performance. Our risk lens considers how the executives discharge their accountabilities, their performance against individual goals, and how effectively they manage risk in achieving outcomes.

The Board's Risk Committee also considers material risk events that emerged during the year, with the People and Remuneration Committee and the Board (depending on the executive involved) determining the size and nature of any remuneration adjustments that should apply. The Chief Risk Officer and Executive General Manager, Group Internal Audit both provide input to inform these assessments.

Senior executives receive a significant component of their remuneration in the form of IAG securities. Executives are prohibited from entering into transactions or arrangements which operate to limit or hedge the economic risk of their unvested entitlements to these IAG securities. For more details, please refer to our [Group Security Trading Policy](#) which is available in the About Us section of our website under Codes and policies.

Full details of our approach to executive and Director remuneration, and remuneration outcomes for FY22, are set out in the Remuneration Report which is contained in the Directors' Report on pages 29 – 53 of our Annual Report 2022.

### 7.2 Executive employment arrangements

All our senior executives have written employment agreements, with appointment conditional on the satisfactory completion of detailed background checks, including Fit and Proper assessments.

### 7.3 Performance assessment – CEO and Group Leadership Team

The CEO's performance is assessed against a Group Balanced Scorecard. All other Group Leadership Team members have their performance assessed against both the Group Balanced Scorecard objectives and individual goals.

The Group Chief Risk Officer and Group General Counsel & Company Secretary have a higher weighting of fixed remuneration than other senior executives to ensure the independence of their functions. Performance assessments were undertaken for the CEO and Group Leadership Team during FY22.

Before determining final incentive payments, the Board assesses each executive's risk management performance to ensure that the incentives provided are appropriate.

# 8. Diversity, Inclusion and Belonging

## 8.1 Diversity, Inclusion and Belonging

Our focus on Diversity, Inclusion and Belonging (**DIB**) is fundamental to our culture and a critical enabler of business performance. When we deliver greater diversity, a culture of inclusion, and a feeling of belonging for our people, we create a higher performing organisation and deliver improved financial performance. ‘

IAG’s refreshed Diversity, Inclusion & Belonging Strategy focuses on:

- Increasing the diversity of our workforce by improving the representation of specific groups
- Promoting a culture of inclusion
- Building connection and celebrating difference

This strategy is underpinned by IAG’s Diversity, Inclusion and Belonging Framework, which is available in the About Us section of our website under Corporate Governance. In line with this framework, IAG reports annually on progress against our diversity objectives, targets and achievements to the Board.

More detail on the progress made within our DIB Strategy is described in the [Annual Review and Sustainability Report 2022](#).

## 8.2 Progress against IAG’s Diversity, Inclusion and Belonging measurable objectives

IAG has two publicly stated measurable diversity targets for management:

Measurable objectives	2021	2022	Target
<b>Women in Senior Management (WISM)</b>	43%	44%	50% by 2023
<b>Aboriginal and Torres Strait Islander Employment</b>	1.5%	1.3%	3% by 2023

Women represent 60% of our workforce. IAG sets measurable objectives for achieving gender diversity in the composition of women in senior management roles, rather than the workforce more broadly, given the large proportion of women in IAG’s workforce. Divisional targets support accountability and progress in achieving our measurable objectives regarding women in senior management and Aboriginal and Torres Strait Islander employment.

### Board Diversity

In 2020, IAG set a gender diversity target of no less than 30% of Directors of each gender on the Board (**BGDT**). Prior to the Board renewal implemented in late 2021, IAG exceeded its BGDT with 40% of the Board (including the role of Board Chairman) being women. Following the 2021 Board renewal process (set out in section 3.2), IAG has fallen marginally below its BGDT, with 27.27% of the Board comprised of women. The Board is committed to its BGDT and is prioritising the recruitment of a suitably qualified female INED.

### Women in senior management

In FY22, the percentage of women in senior management at IAG has increased to 44%. While progress has been made, there is more work to be done to reach our 50% target by 2023. The business remains focused on leadership development, the acceleration of talent, and the succession approach underpinned by broader policies and practices.

In 2022, we received external recognition of our progress on gender equality, with IAG ranking 21st out of 100 global organisations in the Equileap Gender Equality Global Report and Ranking 2022.

Further information on IAG’s gender diversity, including IAG’s ‘Gender Equality Indicators’ (as defined under the Workplace Gender Equality Act 2012 (Cth)), is available in IAG’s [2021 – 2022 Workplace Gender Equality Report](#).

### Aboriginal and Torres Strait Islander Employment

IAG is committed to increasing Aboriginal and Torres Strait Islander employment. As at 30 June 2022, IAG’s Aboriginal and Torres Strait Islander participation rate was 1.3%. This represents a decline in participation from FY21, which was 1.5%.

Over the last 12 months, IAG has taken steps to grow the representation, development, and retention of First Nations employees. A First Nations People Inclusion Plan has been developed, following engagement with our First Nations employees and guidance from external experts. The plan focuses on building talent and development pathways, investing in cultural awareness training, and listening to First Nations employees. We continue to partner with Career Trackers through their internship program and are growing our First Nations Employee Network Group.

IAG recently launched a Stretch Reconciliation Action Plan (**RAP**) in line with our commitment to increasing Aboriginal and Torres Strait Islander employment. This new RAP commits to attracting more Aboriginal and Torres Strait Islander talent and retaining First Nations team members through mentoring, development and talent mapping. For more information on IAG’s Indigenous Engagement Strategy and our RAP, please see our [Annual Review and Sustainability Report 2022](#).

## 8. DIVERSITY, INCLUSION AND BELONGING (CONTINUED)

### Supporting employees with caring responsibilities

IAG introduced gender neutral parental leave in IAG New Zealand (aligned with IAG Australia) and a new digital platform (Circle In) for parents and caregivers. Circle In provides resources and information for employees and their managers at all stages of their parenting or caregiving journeys.

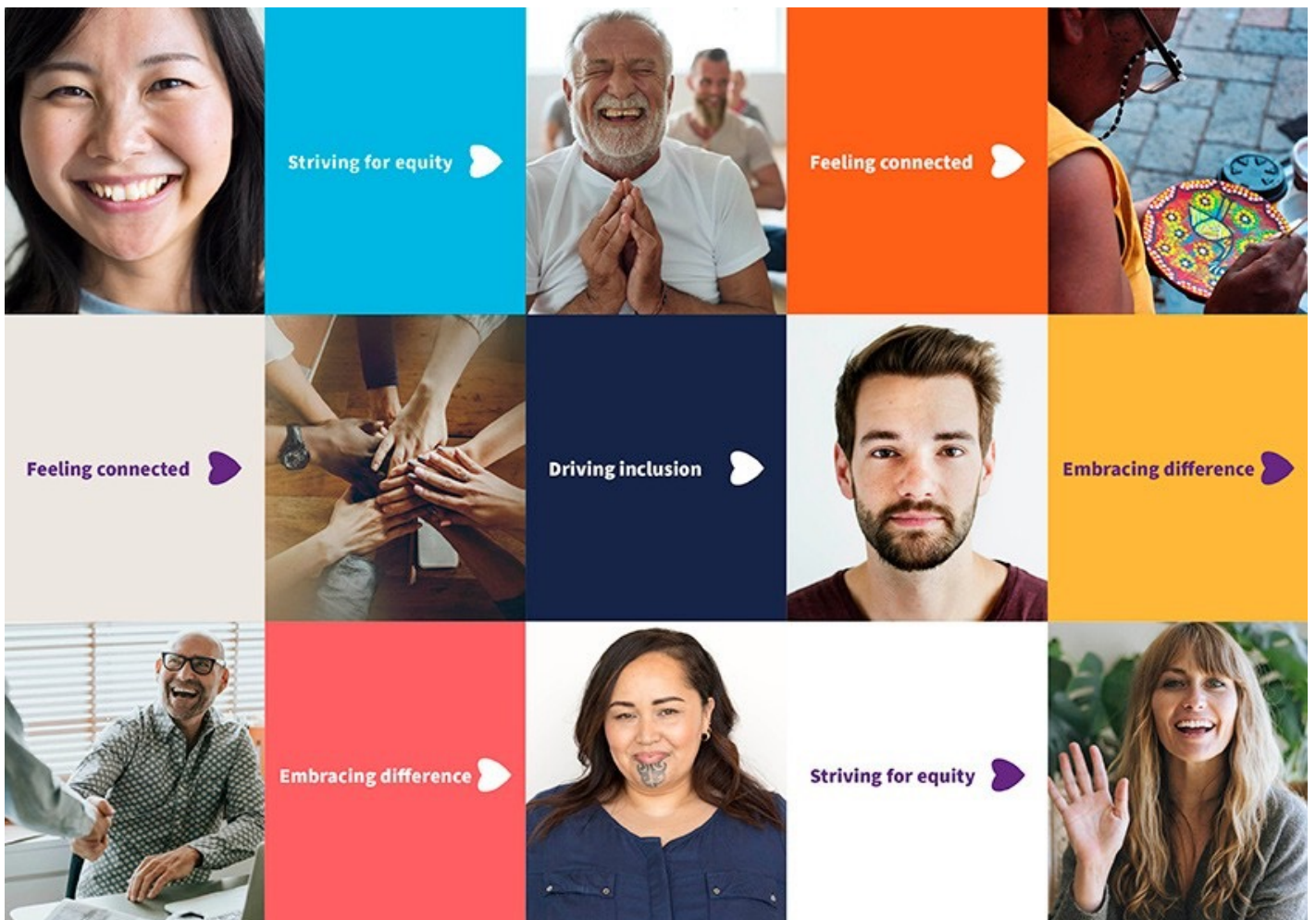
### Flexibility and hybrid working

In December 2021, IAG achieved a Level 4 FlexCareers certification in recognition of the flexible working arrangements available to all employees. Due to COVID-19, hybrid and/or tailored work options were introduced based on team needs and objectives, which has enabled purposeful connection and collaboration as we continue to work remotely while also being onsite on specific days.

In the September 2021 Annual Culture survey, 90% of participants responded favourably when asked whether they had flexibility to manage work and other commitments.

### Pay equity

We continue to focus on gender pay parity across the business. We do this through regular 'like for like' role analysis, as well as analysis of average pay differences across IAG. We take action when unexplainable differences are identified.



## 9. Reviewing our approach to governance

### 9.1 We comply with the 4th Edition ASX Principles and Recommendations

Aiming for best practice across all elements of governance enables us to focus on delivering our strategy and leading customer experiences. We continuously monitor, review, and incorporate opportunities to strengthen our approach to governance, including by responding to changes in society and the regulatory environment.

#### **We have complied with the ASX Corporate Governance Principles and Recommendations (4th Edition).**

Details of our compliance are set out in this Corporate Governance Statement and in Appendix 4G, available on the Results and the Reports section of our website.

This Corporate Governance Statement is current as at 12 August 2022 and has been approved by our Board.





Australia



New Zealand



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 70% owned by IAG and 30% owned by RACV.

2 IAG owns 100% of Insurance Australia Limited (IAL), the underwriter of general insurance products under the Coles Insurance brand. These products are distributed by Coles under an Authorised Representative Agreement with IAL.