



## Notice under section 708A(12H)(e) of the Corporations Act 2001 (Cth)

Insurance Australia Group Limited (“**IAG**”) will today issue A\$400 million of subordinated unsecured notes (“**Subordinated Notes**”). Subordinated Notes may, in certain circumstances, convert into ordinary shares of IAG (“**Ordinary Shares**”).

### Cleansing notice

This notice is given by IAG. This notice is a cleansing notice prepared for the purpose of section 708A(12H)(e) of the Corporations Act (as notionally inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71) to enable Ordinary Shares issued on conversion of the Subordinated Notes to be freely tradeable without further disclosure.

This release has been authorised by IAG’s Chief Financial Officer.

### Disclaimer

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any “US person” (as defined in Regulation S under the U.S. Securities Act of 1933 (the “**US Securities Act**”), or in any other jurisdiction. The securities described in this announcement have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States or to US persons except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

### About IAG

IAG is the parent company of a general insurance group with operations in Australia and New Zealand. IAG’s main businesses underwrite over \$14 billion of insurance premium per annum under many leading brands, including: NRMA Insurance, RACV (under a distribution agreement with RACV), CGU, SGIO, SGIC and WFI (Australia); and NZI, State, AMI and Lumley (New Zealand). For further information, please visit [www.iag.com.au](http://www.iag.com.au).

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**Insurance Australia Group Limited (Australian Business Number 60 090 739 923)  
("IAG")**

**Notice under section 708A(12H)(e) of the Corporations Act 2001 (Cth)  
("Corporations Act")**

IAG will today issue A\$400 million of subordinated unsecured notes ("**Subordinated Notes**") in Australia. Subordinated Notes are required to be converted into ordinary shares of IAG ("**Ordinary Shares**") if APRA determines that IAG would become non-viable without such conversion or if a holder exercises its option to require conversion on the holder conversion date ("**Conversion**").

**Cleansing notice**

This notice is given by IAG. This notice is a cleansing notice prepared for the purpose of section 708A(12H)(e) of the Corporations Act (as notionally inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71) to enable Ordinary Shares issued on Conversion of the Subordinated Notes to be freely tradeable without further disclosure.

**Information Memorandum**

This cleansing notice includes commercial particulars of the Subordinated Notes in the form of:

- a redacted Information Memorandum relating to the Debt Issuance Programme of IAG dated 27 October 2023 ("**Information Memorandum**"), which appears as schedule 1 to this cleansing notice; and
- a Pricing Supplement dated 1 November 2023 prepared in relation to the offer of Subordinated Notes by IAG, which modifies and supplements the Information Memorandum ("**Pricing Supplement**"), which appears as schedule 2 to this cleansing notice.

The redacted Information Memorandum has been redacted from its original form to delete certain information provided in connection with the Subordinated Notes in order to comply with Australian legal requirements.

Words and expressions defined in the redacted version of the Information Memorandum have the same meanings in the remainder of this cleansing notice unless the contrary intention appears.

This cleansing notice (including the redacted Information Memorandum and Pricing Supplement) is not a prospectus or other disclosure document under the Corporations Act.

**Effect of Subordinated Notes offer on IAG**

The Subordinated Notes are treated as Tier 2 Capital for IAG.

The issue of the Subordinated Notes will not have a material impact on IAG's financial position. If the Subordinated Notes are Converted, the impact of Conversion on IAG would be to reduce IAG's liabilities by the principal amount of the Subordinated Notes Converted and increase IAG's shareholders' equity by the same amount.

The number of Ordinary Shares issued on Conversion is limited to the Maximum Conversion Number which, if calculated assuming Conversion on account of a Non-Viability Trigger Event using a Nominal Amount of \$10,000 and the Issue Date VWAP of \$5.70 per Ordinary Share, would be 8,771.9298 Ordinary Shares per Subordinated Note<sup>1</sup>.

It is not anticipated that the issue of Ordinary Shares on a Conversion would have any impact on the control of IAG.

### **Description of Ordinary Shares**

Holders of Subordinated Notes may receive Ordinary Shares on Conversion. The rights and liabilities attaching to Ordinary Shares are set out in the constitution of IAG and are regulated by the Corporations Act, ASX Listing Rules and the general law.

Each Ordinary Share issued on Conversion will rank *pari passu* with all other fully paid Ordinary Shares.

Holders of Ordinary Shares:

- have voting rights at any general meetings of IAG;
- have rights to receive dividends (subject to the directors of IAG determining a dividend to be payable);
- are generally able to sell or transfer their Ordinary Shares without restriction (subject to market liquidity from time to time and the limitations under all applicable laws, including, but not limited to, the Financial Sector (Shareholdings) Act 1998 (Cth), the Corporations Act and the ASX Listing Rules and the IAG directors' ability to decline to register a transfer in certain limited circumstances); and
- are entitled to share in any surplus assets on a winding-up of IAG in proportion to the amount of capital paid up.

### **IAG is subject to regular reporting and disclosure obligations**

As a disclosing entity, IAG is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

Broadly, these obligations require IAG to prepare and lodge with the Australian Securities and Investments Commission (“**ASIC**”) both yearly and half yearly financial statements and to report on its operations during the relevant accounting period, and to obtain an audit or review report from its auditor.

IAG must also ensure that ASX is continuously notified of information about specific events and matters as they arise. IAG has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information concerning it of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of its quoted securities.

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<sup>1</sup> In the event of Conversion on account of a Holder exercising its right to require Conversion on the Holder Conversion Date, the Maximum Conversion Number would be 3,508.7719 Ordinary Shares per Subordinated Note (assuming no accrued interest).

## Copies of Documents

Copies of documents lodged with ASIC (including IAG's most recent annual financial report) may be obtained from, or inspected at, an ASIC office. Documents released to the ASX disclosure platform are available from the ASX website.

Copies of:

- IAG's most recent annual financial report and full year results announcement released to ASX on 21 August 2023; and
- any continuous disclosure notices given by IAG to ASX since 21 August 2023 and before the date of this cleansing notice,

are available free of charge at <https://www.iag.com.au/newsroom>.

Written requests for free copies of the above documents should be addressed to:

Investor Relations Department  
Insurance Australia Group Limited  
Level 9, Tower 2  
Darling Park  
201 Sussex Street  
Sydney NSW 2000  
Australia

## Information Memorandum



**INSURANCE AUSTRALIA GROUP LIMITED**  
ABN 60 090 739 923

*Issuer*

**A\$2,500,000,000**  
**Debt Issuance Programme**

**27 October 2023**

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# Introduction

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**Insurance Australia Group Limited** (ABN 60 090 739 923) ("**IAG**" and "**Issuer**") may offer from time to time short term notes in registered form ("**STNs**") and medium term notes in registered form ("**MTNs**") (together, "**Notes**") under the Debt Issuance Programme described in this Information Memorandum ("**Programme**"). For the avoidance of doubt this Information Memorandum applies only to Notes issued on or after the date of this Information Memorandum. The terms and conditions of Notes issued before the date of this Information Memorandum are contained in the Information Memorandum applicable at the time of issue.

The aggregate principal amount of Notes outstanding under the Programme will not at any time exceed A\$2,500,000,000 (or the approximate equivalent in other currencies at the date of issue). This limit may be increased from time to time.

Subject to applicable laws, regulations and directives, the Issuer may issue Notes under the Programme in any country including Australia and countries in Europe and Asia (but not the United States of America unless such Notes are registered under the United States Securities Act of 1933 (as amended) ("**Securities Act**") or an exemption from the registration requirements is available). The Issuer may also issue notes, bonds or other debt instruments (including, without limitation, dematerialised securities) otherwise than under the Programme.

Each issue of Notes under the Programme will be made pursuant to such documentation as the Issuer may determine. Notes will be issued in one or more Tranches (each a "**Tranche**") within one or more series (each a "**Series**"). Tranches of Notes within a particular Series may have various issue dates, issue prices and interest commencement dates and, in respect of the first interest payment (if any), different interest payment amounts but will otherwise be issued on identical terms and conditions.

A pricing supplement and/or another supplement to the terms and conditions of the Notes (each a "**Supplement**") will be issued for each Tranche or Series of Notes issued under the Programme and will contain details of the aggregate principal amount, issue price, issue date, maturity date, details of interest (if any), together with any other terms and conditions not contained in this Information Memorandum which apply to that Tranche or Series of Notes. The Issuer may also publish a supplement to this Information Memorandum which contains additional terms and conditions not contained in the Information Memorandum which apply to that Tranche or Series of Notes.

MTNs may be issued in the form of unsubordinated senior notes ("**Senior MTNs**") or subordinated notes ("**Subordinated MTNs**"). STNs will only be issued in senior form.

Application may be made to list Notes of a particular Series on the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) ("**ASX Limited**") or any other stock exchange. However, unlisted Notes may also be issued pursuant to the Programme. The relevant Supplement in respect of the issue of Notes will specify whether or not such Notes will be listed on the Australian Securities Exchange (or any other stock exchange).

The Notes are not a policy liability of the Issuer or any of its subsidiaries for the purposes of the Insurance Act 1973 (Cth) ("**Insurance Act**"), are not protected policies for the purposes of the financial claims scheme established under Part VC of the Insurance Act and are not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

Any credit rating in respect of any Notes or the Issuer is for distribution only to persons (i) who are not a "retail client" within the meaning of section 761G of the Corporations Act 2001 (Cth) ("**Corporations Act**") and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Corporations Act and (ii) in all cases, who are otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which an investor may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives it must not distribute it to any person who is not entitled to receive it.

## **Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore**

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore ("**SFA**"), unless otherwise stated in the Supplement in respect of any Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A(1) of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in the Monetary Authority of Singapore ("**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

# Important Notice

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## Responsibility

This Information Memorandum has been prepared by and issued with the authority of the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum.

## Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated by reference (see "Documents incorporated by reference" below). This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. References to "Information Memorandum" are to this Information Memorandum and to any other document incorporated by reference collectively and to any of them individually.

## Programme Manager

As at the date of this Information Memorandum, no Programme Manager has been appointed in respect of the Programme. Any reference in this Information Memorandum to a Programme Manager only applies while a Programme Manager is appointed. For the avoidance of doubt, when a Programme Manager is not appointed, any requirement of an agreement or consent of, provision of a notice or other document to, or consultation with the Programme Manager shall not apply.

## No independent verification

None of the Programme Manager, the Dealers, any Agent or the Registrar (each as defined under "Programme Summary" below) (and none of (i) their respective affiliates, or (ii) their respective directors, partners, officers, employees, agents, representatives or advisers, or (iii) the affiliates of any of the persons referred to in (ii)) has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any such person as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer in connection with the Programme. Any Programme Manager which is appointed from time to time will act in this Programme in its capacity as administration manager of the Programme, and not in any capacity as a fiduciary.

## Independent advice

This Information Memorandum contains only summary information concerning the Notes. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Programme Manager, the Dealers, any Agent and the Registrar (or any of (i) their respective affiliates, or (ii) their respective directors, partners, officers, employees, agents, representatives or advisers, or (iii) the affiliates of any of the persons referred to in (ii)) that any recipient of this Information Memorandum or any other financial statements purchase any Notes or any rights in respect of any Notes. Each investor contemplating purchasing any Notes or any rights in respect of any Notes under the Programme should make (and shall be taken to have made) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer.

No advice is given in respect of the taxation treatment of investors in connection with investment in any Notes and each investor is advised to consult its own professional adviser.

## Currency of information

Neither the delivery of this Information Memorandum nor any sale made in connection with this Information Memorandum at any time implies that the information contained in this Information Memorandum concerning the Issuer is correct at any time subsequent to the Preparation Date (as defined under "Preparation Date" below) or that any other information supplied in connection with the Programme is correct as of any time subsequent to the Preparation Date. The Programme Manager, the Dealers, any Agent and the Registrar (and (i) their respective affiliates, or (ii) their respective directors, partners, officers, employees, agents, representatives or advisers, or (iii) the affiliates of any of the persons referred to in (ii)) expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme and make no representations as to the ability of the Issuer to comply with its obligations under any Notes. Investors should review, amongst other things, the documents deemed to be incorporated in this Information Memorandum by reference when deciding whether or not to purchase any Notes.



None of the Programme Manager, any Dealer, any Agent or the Registrar makes any representation as to the performance of the Issuer, the maintenance of capital or any particular rate of return, nor does the Programme Manager nor any Dealer or any Agent or the Registrar guarantee the repayment of capital or any particular rate of capital or income return, in each case, on the Notes.

The Issuer is not under any obligation to update the Information Memorandum at any time after an issue of Notes.

#### **No authorisation**

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer, the Programme or the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers, the Programme Manager, any Agent or the Registrar (or any of (i) their respective affiliates, or (ii) their respective directors, partners, officers, employees, agents, representatives or advisers, or (iii) the affiliates of any of the persons referred to in (ii)).

#### **Distribution**

The distribution of this Information Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Programme Manager, the Dealers, any Agent and the Registrar (and none of (i) their respective affiliates, or (ii) their respective directors, partners, officers, employees, agents, representatives or advisers, or (iii) the affiliates of any of the persons referred to in (ii)) do not represent that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Programme Manager, the Dealers, any Agent or the Registrar (or any of (i) their respective affiliates, or (ii) their respective directors, partners, officers, employees, agents, representatives or advisers, or (iii) the affiliates of any of the persons referred to in (ii)) which would permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required.

Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Information Memorandum or any Notes come must inform themselves about, and observe, any such restrictions. See "Subscription and Sale" below.

#### **No offer**

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Programme Manager, the Dealers, any Agent or the Registrar to any person to subscribe for, purchase or otherwise deal in any Notes.

This Information Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to "US persons" (as defined in Regulation S under the US Securities Act of 1933 (the "US Securities Act")). The Notes have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, US persons except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws. Accordingly, the Notes are only being offered and sold outside the United States to non-US persons in "offshore transactions" in compliance with Regulation S under the US Securities Act.

**IMPORTANT – EEA Retail Investors** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MIFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT – UK Retail Investors** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point

(8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 of the UK (as amended, “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

#### **Warning - No registration or review by regulatory authority**

Neither this Information Memorandum nor any other disclosure document in relation to the Notes has been lodged with the Australian Securities and Investments Commission (“ASIC”).

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Programme Manager, the Dealers, any Agent or the Registrar (or any of (i) their respective affiliates, or (ii) their respective directors, partners, officers, employees, agents, representatives or advisers, or (iii) the affiliates of any of the persons referred to in (ii)) to any person to subscribe for, purchase or otherwise deal in any Notes. It is not intended to be used for the purpose of or in connection with offers or invitations to subscribe for, purchase or otherwise deal in any Notes by or to any person in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such offer of solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Information Memorandum or any applicable Supplement in any jurisdiction where such action is required.

#### **Agency and distribution arrangements**

Each of the Programme Manager, the Dealers, the Agents and the Registrar discloses that it and (i) its respective affiliates, (ii) its respective directors, partners, officers, employees, agents, representatives or advisers, and (iii) the affiliates of any of the persons referred to in (ii):

- may have pecuniary or other interests in the Notes; and
- may receive expenses, fees, brokerage and commissions and may act as principal in dealing in the Notes.

The Issuer may also indemnify the Dealers and Agents against certain liabilities in connection with the offer and sale of the Notes.

#### **Documents incorporated by reference**

The following documents are incorporated in and taken to form part of this Information Memorandum:

- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time;
- the most recent financial statements of the Issuer filed with ASIC and any announcements concerning those financial statements released by IAG to ASX Limited after the date of its most recent financial statements filed with ASIC (including, without limitation, IAG’s 2023 Annual Report and the announcements made by IAG to ASX Limited on 21 August 2023); and
- all documents issued by the Issuer and expressly stated to be incorporated in this Information Memorandum by reference.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of this Information Memorandum, shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Copies of documents incorporated by reference are available for inspection from the Issuer at its office specified in the “Directory”.

#### **Preparation Date**

In this Important Notice section, “Preparation Date” means:

- in relation to this Information Memorandum, the date indicated on its face or, if the Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to financial accounts incorporated in this Information Memorandum, the date up to or as at the date on which the accounts relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release.

# Corporate and Issuer Profile

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## ABOUT IAG

IAG is the parent company of a general insurance group with controlled operations in Australia and New Zealand. It is listed on the Australian Securities Exchange (**ASX**) with ordinary shares trading under the ASX code "IAG." References in the remainder of this section to "**the Group**" is to IAG and its subsidiaries on a consolidated basis. Financial data for the 12-month period ended 30 June 2023 and a more comprehensive review of the Group and its operations is contained in the 2023 annual report and the FY23 Investor Report dated 21 August 2023. These are available in the Results & Reports section of the Group's website ([www.iag.com.au](http://www.iag.com.au)).

The Group underwrote \$14.7 billion of gross written premium ("**GWP**") in the financial year ended 30 June 2023, selling insurance under many leading and established brands in Australia and New Zealand.

## Brief History

From its beginnings as a motor vehicle insurer in New South Wales, Australia, the Group has grown to become a diversified general insurance group operating throughout Australia and New Zealand.

The Group's heritage dates back to 1920 when the National Roads and Motorists' Association ("**NRMA**") was established and subsequently offered motor insurance to its members. Following demutualisation in 2000, the insurance arm of NRMA was listed on the ASX as NRMA Insurance Group Limited, and renamed Insurance Australia Group Limited in 2002.

The Group grew organically and through acquisitions primarily in its home market of Australia, and in New Zealand.

## Strategic Priorities

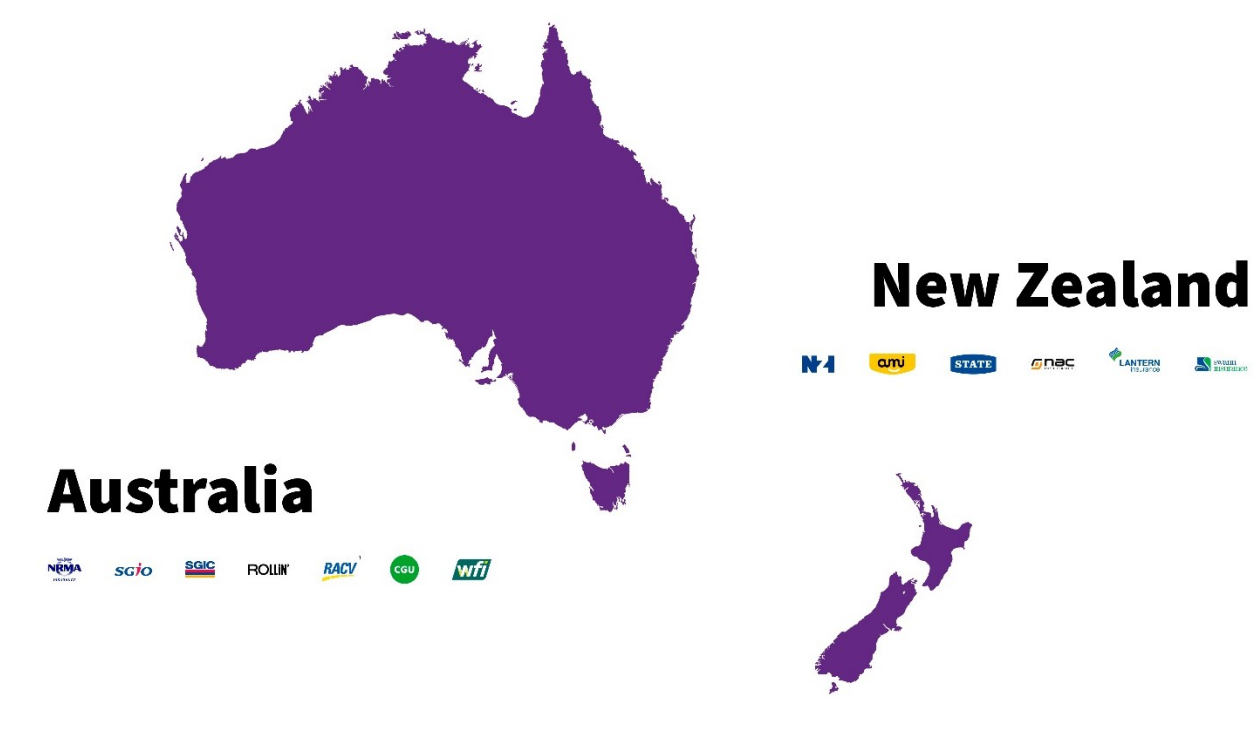
IAG has identified four strategic pillars that underpin its strategy to create a stronger, more resilient IAG:

- I. Growing with customers;
- II. Building better businesses;
- III. Creating value through digital; and
- IV. Managing its risks.

IAG's strategy balances strengthening the fundamentals of insurance while evolving to be a digital leader.

## Business Operations and Brands

The Group sells insurance under many leading and established brands in Australia and New Zealand.



1 - The Group'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% by RACV.

## Business Structure

The Group's operating model has three core insurance divisions, with each division aligned to the insurance needs of specific customers, and the way those customers want to engage with us.

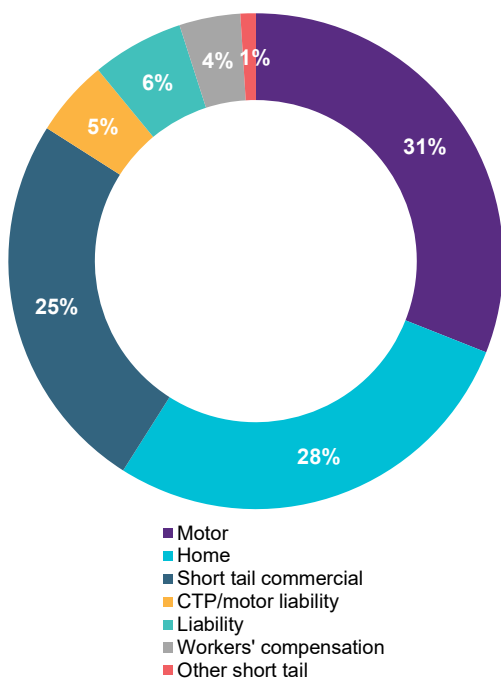
Direct Insurance Australia is the Group's largest division and is a leader in direct personal insurance in Australia, with products sold under well-known brands in Australia including NRMA Insurance and RACV together with new digital brand ROLLIN'. The business also provides insurance to small to medium enterprises (**SMEs**) on a direct basis.

Intermediated Insurance Australia is a leading provider of general insurance products sold through a network of intermediaries to businesses and individuals across Australia. Commercial insurance sold under the CGU and WFI brands, has a significant share of the SME market and a leading presence in rural areas. Intermediated Insurance Australia also provides personal insurance primarily through broker and partner channels, including a leading retailer and a number of financial institution partnerships.

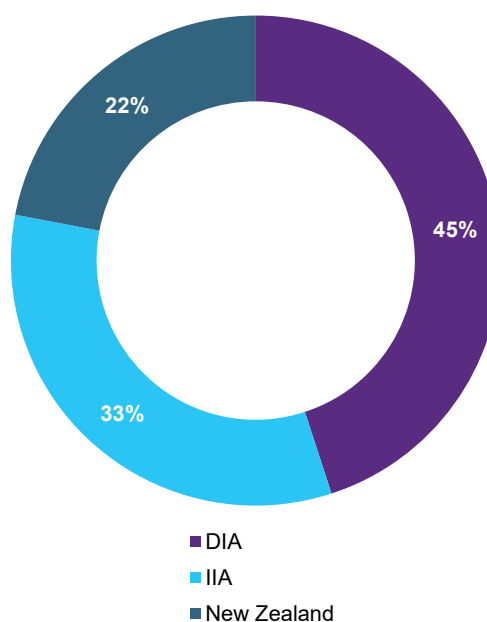
IAG New Zealand Limited is the largest general insurer in New Zealand selling products through a combination of direct and intermediated channels. Products are sold directly to customers under the State, AMI, and Lantern brands. The Business division distributes products through a nationwide network of qualified and experienced brokers under the NZI and Lumley brands. Products are also distributed through banking partners.

## Business Portfolio

GWP by product – FY23



GWP by division – FY23



## Business Risk and Risk Management

Managing risk is central to the sustainability of the Group's business, its purpose and delivery of value to stakeholders. IAG uses an enterprise approach to risk and its risk management framework is a core part of its governance structure. IAG's Risk Management Strategy is reviewed annually or as required by the Risk Committee before being recommended for approval by the Board.

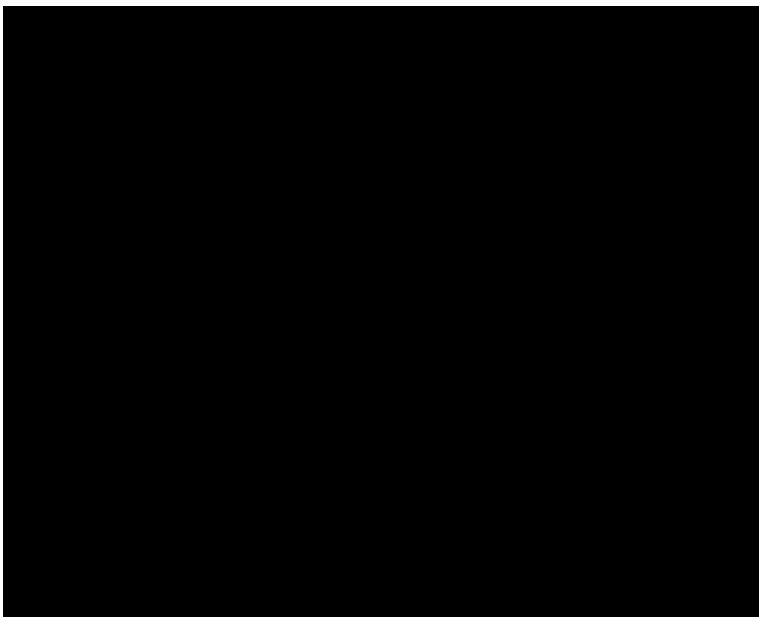
The Group's Risk function provides regular reports to the Risk Committee on the operation of IAG's risk management framework, the status of key risks, risk and compliance incidents and risk framework changes. IAG's Internal Audit function provides reports to the Audit Committee on significant audit findings and other audit related matters.

Further details of IAG's risk management framework are set out in the 2023 corporate governance statement and in the IAG annual report for the year ended 30 June 2023.

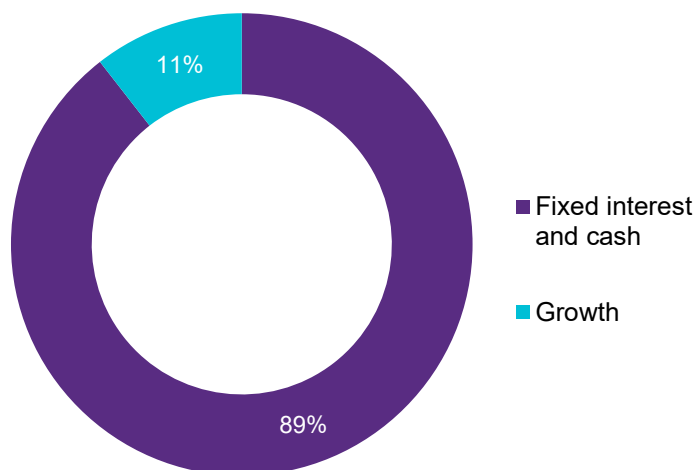
## Investments

The Group's investments totalled \$11.8 billion as at 30 June 2023, excluding investments held in joint ventures and associates, with \$7.4 billion of that total in the technical reserves portfolio and the balance in shareholders' funds.

The technical reserves portfolio supports associated insurance liabilities and is invested entirely in fixed interest and cash. The Group's allocation to growth assets (equities and alternatives) was around 28% of shareholders' funds at 30 June 2023 with the balance invested in fixed interest and cash.



### Group asset allocation



### Capital Management

As an entity regulated by the Australian Prudential Regulation Authority (**APRA**), IAG maintains a capital base that complies with prudential standards for general insurers based on APRA's Life and General Insurance Capital (LAGIC) regulatory regime. IAG's capital position is aligned with the Group's risk appetite and is maintained in accordance with APRA's Prescribed Capital Amount (**PCA**) and Prudential Capital Requirement (**PCR**) under LAGIC. The Group held regulatory capital of over \$5 billion at 30 June 2023. At that date, the Group's Common Equity Tier 1 (CET1) ratio was 1.12 times the PCA, compared to a targeted range of 0.9 to 1.1 times and a regulatory minimum requirement of 0.6 times. At 30 June 2023, the Group's PCA multiple was 1.92, versus a benchmark of 1.6-1.8.

At 30 June 2023 IAG's regulatory capital base of \$5,073m consisted of CET1 of \$2,955m, a single Additional Tier 1 capital issue of \$500m and four Tier 2 capital issues totalling \$1,618m with staggered first call and maturity dates.

### Reinsurance

Reinsurance is an important part of IAG's approach to capital management. Since 2015, the Group has increased its use of reinsurance capital via quota shares, with 32.5% of the Group's consolidated business subject to quota share on a whole-of-account basis. The individual agreements deliver similar benefits and financial effects, on a pro rata basis, including reduced earnings volatility, as insurance risk is effectively exchanged for a more stable

fee income stream, a lower requirement for excess of loss catastrophe reinsurance capacity and reduced exposure to volatility in associated reinsurance premium rates and a reduction in the Group's regulatory capital needs.

The Group's core catastrophe reinsurance protection which runs to a calendar year operates on an excess of loss basis and covers business written in all territories in which the Group operates. The core 2023 catastrophe reinsurance program has gross reinsurance cover up to \$10 billion, and is placed to the extent of 67.5%, after allowance for quota shares.

The Group also purchases a comprehensive suite of per risk and proportional reinsurances for property, casualty and specialty classes which provide protection for all territories in which it underwrites.

Where required by statute, unlimited cover is purchased where available and for other lines cover is placed up to the original underwriting limits for each class. Cover is also secured for potential accumulations within a class or between classes of business.

## **MORE INFORMATION**

For more information on IAG, please use the details below:

**Website**            [www.iag.com.au](http://www.iag.com.au)  
**Telephone**        +61 2 9292 9222

**Mail**  
Tower Two, Darling Park  
201 Sussex Street  
Sydney NSW 2000  
Australia



## Programme Summary

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The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and in conjunction with the terms and conditions of the STNs ("**STN Terms and Conditions**") and the terms and conditions of the MTNs ("**MTN Terms and Conditions**"), as applicable, together with the relevant Supplement.

Unless the context requires otherwise, words and expressions defined or used in the terms and conditions of the relevant Series of STNs or MTNs or any Supplement in respect of that Series of STNs or MTNs (as applicable) shall have the same meanings in this Information Memorandum.

<b>Issuer:</b>	Insurance Australia Group Limited (ABN 60 090 739 923)
<b>Programme:</b>	A combined non-underwritten, uncommitted, revolving programme for the issuance of short term notes and medium term notes.
<b>Programme Documents:</b>	Each of the STN Deed Poll and MTN Deed Poll, each STN and MTN, each STN Supplement or Pricing Supplement, the Dealer Common Terms Deed Poll, each Dealer Agreement, each Registry Services Agreement, each Agency Agreement and any other instrument specified as such in an STN Supplement or Pricing Supplement.
<b>Programme Limit:</b>	A\$2,500,000,000 (or its approximate equivalent in other currencies). The Programme Limit may be increased by the Issuer from time to time.
<b>Types of Notes:</b>	Notes issued under the Programme may be in the form of short term notes in registered form (" <b>STNs</b> ") or medium term notes in registered form (" <b>MTNs</b> "). A reference in this Information Memorandum to a " <b>Class of Notes</b> " is a reference to STNs or MTNs.
<b>Currency:</b>	STNs and MTNs may be issued in Australian dollars or other currencies as may be agreed between the Issuer and the relevant Dealer.
<b>Programme Manager:</b>	As at the date of this Information Memorandum, no Programme Manager was appointed to this Programme. A Programme Manager may be appointed by the Issuer in respect of the Programme generally, in respect of a Class of Notes or in respect of a Tranche or Series of Notes in accordance with the Dealer Common Terms Deed Poll dated 28 February 2014 executed by the Issuer, as amended from time to time (" <b>Dealer Common Terms Deed Poll</b> ").
<b>Dealers:</b>	Dealers may be appointed from time to time in respect of the Programme generally (for a specified period of time) or in respect of a Series or Tranche of Notes.
<b>Terms of appointment of Dealers and Programme Manager:</b>	The terms of appointment and the rights and obligations of Dealers are set out in Annexure A of the Dealer Common Terms Deed Poll, as supplemented or modified by an agreement with the relevant Dealer (" <b>Dealer Agreement</b> "). The terms of appointment and the rights and obligations of the Programme Manager, if appointed, are set out in Annexure A of the Dealer Common Terms Deed Poll.
<b>Registrar:</b>	Computershare Investor Services Pty Limited (ABN 48 078 279 277)
<b>Agent:</b>	Each person appointed from time to time by the Issuer, with the consent of the Programme Manager, to perform agency functions (either within or outside Australia) in relation to an issue of Notes. Details of each such appointment will be contained in the relevant Supplement.
<b>Status:</b>	MTNs may be issued in the form of unsubordinated senior notes (" <b>Senior MTNs</b> ") or subordinated notes (" <b>Subordinated MTNs</b> "). STNs will only be issued in senior form. Senior MTNs and STNs will be direct, unsubordinated and unsecured obligations of the Issuer and will rank at least equally with all other unsecured and unsubordinated obligations of the Issuer except liabilities mandatorily preferred by law.

Subordinated MTNs will be direct, subordinated and unsecured obligations of the Issuer and will rank equally among themselves and with the claims of holders of Equal Ranking Securities. Details of the subordination arrangements are contained in Condition 4 of the MTN Terms and Conditions and described in the section entitled “Medium Term Note Summary”, below.

- Governing law:** The Notes and all related documentation will be governed by the laws of New South Wales.
- Use of proceeds:** Unless otherwise specified in any Supplement, the net proceeds of any issue of Notes will be used by the Issuer for general corporate purposes.
- Programme Term:** The term of the Programme continues until terminated by the Issuer.
- Stamp duty:** As at the date of this Information Memorandum, no Australian stamp duty is payable on the issue of the Notes, or any transfer of Notes. Investors are advised to seek independent advice regarding any stamp duty or other taxes imposed upon the transfer of Notes, or interests in Notes.
- Taxes:** An overview of the Australian tax treatment of payments of interest on the Notes is set out in the section entitled “Australian Taxation” below. An overview of FATCA and CRS is set out in the section entitled “U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard” below. Investors should obtain their own taxation advice regarding the taxation status of investing in the Notes.
- Clearing Systems:** Notes may be transacted either within or outside any Clearing System (as defined below).
- The Issuer will apply to Austraclear Ltd (“**Austraclear**”) for approval of Notes to be traded on the settlement system operated by Austraclear (“**Austraclear System**”). Such approval of the Notes by Austraclear is not a recommendation or endorsement by Austraclear of the Notes. MTNs and STNs may also be transacted through other clearing systems specified in the relevant Supplement (together with the Austraclear System, each a “**Clearing System**”).
- TFNs and ABNs:** The Issuer may deduct amounts from payments to be made under the Notes at the prescribed rate if an Australian resident investor or a non-resident investor holding the Notes in carrying on business at or through a permanent establishment in Australia has not supplied an appropriate Tax File Number, Australian Business Number or exemption details as may be necessary to enable the payment to be made without withholding or deduction.
- Title:** Entry of the name of a person in the relevant Register (if applicable) in respect of any MTN or STN constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered owner of such MTN or STN. Title to Notes held in another Clearing System will be determined in accordance with the rules and regulations of the relevant Clearing System.
- Transfer procedure:** Notes may only be transferred in whole but not in part. Unless otherwise specified in the relevant Supplement, Notes may only be transferred if the consideration payable by the transferee is at least A\$500,000 (or equivalent in an alternate currency) (disregarding amounts lent by the transferor or its associates to the transferee) or the transfer does not otherwise require disclosure to be made under Part 6D.2 or Chapter 7 of the Corporations Act and the transfer complies with only applicable law or directive of the jurisdiction where the transfer takes place.
- Transfers of Notes held within a Clearing System will be made in accordance with the rules and regulations of the Clearing System. In the case of Subordinated MTNs held in the Austraclear System, if a Non-Viability Trigger Event occurs and the Subordinated MTNs are to be Converted into fully paid ordinary shares in the capital of IAG (“**Ordinary Shares**”), such Ordinary Shares will be issued to the person who is a Participant (as defined in the Austraclear Regulations) in the Austraclear System (or, in certain circumstances, to another person nominated by the Issuer). Ordinary Shares may not be traded in the Austraclear System. Subordinated MTNs must be Converted immediately on the occurrence of a Non-

Viability Trigger Event and this may affect or disrupt trading or other transactions in connection with the Subordinated MTNs. IAG does not have any responsibility for any such effects or disruptions and the consequences of any Conversion or Write-Off for persons interested in the Subordinated MTNs in a Clearing System are matters for the rules, regulations and procedures of Austraclear or other Clearing System specified in the relevant Pricing Supplement and the terms of any dealings between persons interested in the Subordinated MTNs.

In other cases, application for the transfer of Notes must be made by lodgement of a duly completed (if applicable) stamped Transfer and Acceptance Form with the Registrar. Transfer and Acceptance Forms are obtainable from the Registrar. The transfer takes effect upon the transferee's name being entered on the Register.

**Redemption, Resale and purchase:**

STNs will be redeemed at par. The redemption or resale price for MTNs will be set out in the relevant Supplement. In addition, MTNs may be redeemed or Resold prior to scheduled maturity in certain circumstances however, in the case of Subordinated MTNs, redemption or Resale before the fifth anniversary of the issue date of the relevant Subordinated MTNs may only occur as a result of certain taxation reasons or regulatory reasons. Redemption and Resale details are more fully set out in the MTN Terms and Conditions and the relevant Supplement.

Holders of Subordinated MTNs ("**Subordinated MTN Holders**") have no option to require redemption or Resale of any Subordinated MTNs prior to their stated maturity.

Subordinated MTNs may be purchased in the open market or otherwise at any price by the Issuer or any Related Entity of the Issuer, and any Subordinated MTNs so purchased will be cancelled. Senior MTNs may be purchased in the open market or purchased by the Issuer or any Related Body Corporate of the Issuer at any time.

However, the Issuer or any Related Entity thereof may not redeem or Resell any Subordinated MTNs or purchase any Subordinated MTNs without the prior written approval of APRA. The Issuer or any Related Entity thereof will not be permitted to redeem, Resell or purchase any Subordinated MTN unless the Subordinated MTN is replaced concurrently or beforehand with Regulatory Capital of the same or better quality and the replacement of the Subordinated MTN is done under conditions that are sustainable for the Issuer's income capacity or APRA is satisfied that, having regard to the capital position of the Level 2 Insurance Group, the Issuer does not have to replace the Subordinated MTNs the subject of the redemption or Resale. Subordinated MTN Holders should not expect that APRA's approval will be given for any early redemption or Resale of Subordinated MTNs. In addition, APRA has stated that, consistent with its prudential requirements, where it considers any replacement capital to be more expensive (including because of higher credit margins), APRA may not approve a redemption unless the Issuer satisfies it as to the economic and prudential rationale for the redemption and that the redemption will not create an expectation that other regulatory capital instruments will be redeemed in similar circumstances.

Notes entered in a Clearing System will be redeemed at maturity through that Clearing System in a manner consistent with the rules and regulations of that Clearing System. Where Subordinated MTNs are held in the Austraclear clearing system, for the purposes of determining the person entitled to be issued Ordinary Shares, the Issuer will treat the relevant Austraclear Participant as the holder of the Subordinated MTNs. Any investor who is not an Austraclear Participant will have to maintain arrangements with an Austraclear Participant in order to hold an interest in Subordinated MTNs or to receive any Ordinary Shares issued on Conversion. The Issuer has no responsibility for these arrangements or for the performance by any Austraclear Participant of its obligations.

**Payments:**

Payments relating to STNs or MTNs will be made to the persons whose names are entered in the relevant register as at 5:00 pm (Sydney time) on the relevant Record Date. The Record Date for STNs or MTNs is the close of business on the 8th day before a payment date or such other time specified in any relevant

Supplement. If that day is not a Business Day, the Record Date will be the preceding Business Day.

Payments to persons who hold STNs or MTNs through the Austraclear System will be made by transfer to their relevant account in accordance with the Austraclear Regulations.

Where such Notes are held through a Clearing System other than the Austraclear System, such person is likely to be the operator of that system or a common depository or nominee for one or more Clearing System (such operator, common depository or nominee acting in such capacity as is specified in the rules and regulations of the relevant Clearing System or Clearing Systems).

If Notes are not held in a Clearing System, payments will be made to the account of the most recently notified registered owner of the Note.

**Selling restrictions:**

The selling restrictions applicable to the offer, sale or delivery of Notes are specified in "Subscription and Sale" below.

**Rating:**

A rating is not a recommendation to buy, sell or hold Notes and is subject to revision, suspension or withdrawal at any time by the relevant credit rating organisation. Further, each rating should be evaluated independently of any other rating. Subordinated MTNs may have a different rating to Senior MTNs.

Any credit rating in respect of any Notes or the Issuer is for distribution only to persons who are not a "retail client" within the meaning of section 761G of the Corporations Act and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Corporations Act and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction in which an investor may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives it must not distribute it to any person who is not entitled to receive it. Notes issued under the Programme may be rated by Standard & Poor's or may be unrated.

**Investment risks:**

Prospective investors or purchasers should consult their own financial and legal advisers about risks associated with an investment in a particular Tranche or Series of Notes and the suitability of investing in the Notes in light of their particular circumstances. Neither the following paragraphs nor the sections entitled "Short Term Note Summary" or "Medium Term Note Summary" (as applicable) describe all the risks of an investment in the Notes. This Information Memorandum (and the limited descriptions of risks contained in it) has been prepared for distribution to institutional investors only, on the basis that those investors are, together with their professional advisors, likely to be familiar with common market and economic risks that affect investments in fixed income and structured products generally (and, in particular, regulatory capital instruments issued by Australian prudentially regulated entities), and capable of assessing the risks associated with an investment in the Notes.

In addition to the credit risks associated with the Issuer, an investment in certain types of structured Notes, the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or indirectly, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security purchased at the same time and/or that an investor could lose all or a substantial portion of the principal of those Notes.

Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Notes. Without limiting other potential risks, the global economy is facing heightened levels of risk and uncertainty.

For a description of certain material risks facing IAG, prospective investors or purchasers should consider IAG's financial statements for the year ended 30 June

2023 and the announcements concerning them made to ASX on 21 August 2023 (which are incorporated in and taken to form part of this Information Memorandum).

# Short Term Note Summary

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**Form of STNs:** STNs will be debt obligations of the Issuer which are constituted by, and owing under, an STN Deed Poll (each an “**STN Deed Poll**”) made by the Issuer and for IAL dated 12 November 2002 (as amended and restated on or about 31 October 2007 and for IAG dated on or about 31 October 2007, and take the form of entries on a register (“**STN Register**”) maintained by the Registrar. The STN Terms and Conditions are contained as a schedule to the STN Deed Poll, as modified and supplemented by any relevant STN Supplement for the relevant Tranche. No certificate or other evidence of title will be issued.

**Currency:** Australian dollars or other Alternate Currencies as may be agreed between the Issuer and relevant Dealer.

**Tenor:** STNs will be issued with a minimum tenor of one day and a maximum tenor of 365 days.

**Purchase Price:** The purchase price for each STN will be the amount determined on a discount basis in accordance with the following formula (unless the Issuer, the Programme Manager and the relevant Dealers otherwise agree):

$$\text{Purchase Price} = \frac{\text{FV} \times 36500}{36500 + (\text{Y} \times \text{T})}$$

where:

- FV = the face value of the STN;
- Y = the Bid Rate offered by the relevant Dealer or set by the Issuer;
- T = the Tenor of the STN.

**Issuance procedures:** At the discretion of the Issuer, STNs may be issued to Dealers by any of the following methods requesting the Dealers to bid by competitive tender, by tap issuance following an unsolicited bid by a Dealer or by requesting the Dealers to bid at a rate set by the Issuer.

**Withholding tax:** All payments in respect of STNs are subject in all cases to applicable provisions of fiscal and other laws, regulation and directives (“**Relevant Laws**”). If the Issuer or anyone making payment on its behalf is obliged by any Relevant Law to deduct or withhold any amounts from the payment otherwise due to an STN Holder, it will do so. The Issuer has no obligation or liability to reimburse or compensate or make any payment to an STN Holder for or in respect of the deducted or withheld amount.

**Denominations:** STNs will be issued in denominations of A\$10,000 (or approximate equivalent in an Alternate Currency) unless otherwise agreed between the Issuer and the relevant Dealer. STNs may only be issued if the consideration payable by each offeree is a minimum of A\$500,000 (or the equivalent in an Alternate Currency) (disregarding moneys lent by the Issuer or its associates) or if the offer or invitation otherwise does not require disclosure to investors under Part 6D.2 of the Corporations Act.

**Settlement:** Unless otherwise specified in the relevant STN Supplement, purchases and sales must be settled through the Austraclear System in accordance with the Austraclear Regulations.

**Interest:** STNs will be issued at a discount to the face value. No interest will be payable during the term of the STN or on the maturity date.

**Listing:** The Issuer does not currently intend that the STNs will be listed on any stock exchange.

## Medium Term Note Summary

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<b>Types of MTNs:</b>	The types of MTNs that may be issued under the Programme include fixed rate notes, floating rate notes, indexed notes, zero coupon notes, amortising notes, domestic, offshore, global (all as defined in the MTN Terms and Conditions and or the relevant Supplement (“ <b>Pricing Supplement</b> ”)) and any other notes referred to in the Pricing Supplement.
<b>Form of Pricing Supplement:</b>	The form of the Pricing Supplement is as set out in this Information Memorandum.
<b>Form:</b>	<p>MTNs will be debt obligations of the Issuer which are constituted by, and owing under, an MTN Deed Poll (an “<b>MTN Deed Poll</b>”) dated 7 November 2007 (as amended and restated on 22 March 2018 for MTNs issued after that date (the “<b>First Amended and Restated MTN Deed Poll</b>”), 4 March 2019 for MTNs issued after that date (the “<b>Second Amended and Restated MTN Deed Poll</b>”) and as further amended and restated on 27 October 2023 for MTNs issued after that date (the “<b>Third Amended and Restated MTN Deed Poll</b>”)), and made by the Issuer and take the form of entries in a register (“<b>Register</b>”). The MTN Terms and Conditions are contained as a schedule to the MTN Deed Poll, as modified and supplemented by a Pricing Supplement for the relevant Tranche.</p> <p>The MTNs of any Series may be described as “MTNs”, “Notes”, “Bonds” or by any other marketing name specified in the relevant Pricing Supplement.</p> <p>No certificate or other evidence of title will be issued to MTN Holders unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or regulation. MTNs which are held in the Austraclear System will be registered in the name of Austraclear Ltd. MTNs which are held in any other clearing system will be registered in the name of the nominee or depository for that system.</p>
<b>Currencies:</b>	Subject to any applicable legal or regulatory requirements, the MTNs will be denominated in such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian Dollars, US Dollars, Pounds Sterling, Euro, Yen (each such currency other than Australian Dollars being an “ <b>Alternate Currency</b> ”). Payments in respect of MTNs may be made in, or limited to, any currency or currencies other than the currency in which the MTNs are denominated, all as set out in the relevant Pricing Supplement.
<b>Issuance in Series:</b>	MTNs will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. Each MTNs of a particular Series will be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches of a Series and a Series may comprise MTNs in more than one denomination.
<b>Denominations:</b>	Unless otherwise specified in a Pricing Supplement, MTNs will be issued in denominations of A\$10,000 (or an approximate equivalent in an Alternate Currency) as specified in the relevant Pricing Supplement, and may only be issued if the consideration payable by each offeree is a minimum of A\$500,000 (or equivalent in an Alternate Currency) (disregarding moneys lent by the Issuer or its associates) or if the offer or invitation otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act.
<b>Tenor:</b>	Subordinated MTNs will be issued with a minimum tenor of not less than 5 years and Senior MTNs will be issued with a minimum tenor of not less than 365 days. There will be no maximum tenor.
<b>Issue Price:</b>	Subordinated MTNs may be issued at any price on a fully paid basis and Senior MTNs may be issued at any price on a fully or partly paid basis, as specified in the relevant Supplement.
<b>Settlement Price:</b>	As specified in the relevant Pricing Supplement, or as otherwise agreed between the parties.

<b>Interest:</b>	MTNs may be interest bearing or non-interest bearing. Interest (if any) may accrue at fixed or variable rate and may vary during the life of a Series.
<b>Deferral of interest (Subordinated MTNs):</b>	<p>The Issuer may defer payment of interest on Subordinated MTNs (except in certain circumstances including where, within a specific period, it has made a payment on certain Equal Ranking Securities or Junior Ranking Securities issued by it).</p> <p>Deferred interest may be paid at any time and must be paid in certain circumstances (see Condition 5.8 of the MTN Terms and Conditions), including where an interest payment is made on certain Junior Ranking Securities or Equal Ranking Securities issued by the Issuer. Interest payments on instruments issued by any entity other than the Issuer will not trigger an obligation on the Issuer to pay deferred interest. If an interest amount is deferred, then until it is paid interest will accrue on that deferred interest amount.</p>
<b>Interest payment dates:</b>	Interest (if any) is payable on the date or dates and in the manner specified in the relevant Pricing Supplement.
<b>Withholding tax:</b>	<p>Unless otherwise specified in the Pricing Supplement, MTNs will be intended to be issued in a manner which enables the Issuer to pay interest to MTN Holders free of Australian interest withholding tax. All payments by the Issuer in respect of the MTN Holders will be made free and clear of, and without withholding or deduction on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision thereof or any authority therein or thereof, unless required by law in which case the Issuer will make additional payments so that the net amount received by a MTN Holder will equal the amount which would otherwise have been received had no such withholding or deduction been made, subject to certain customary exceptions as provided under Condition 9.6 of the MTN Terms and Conditions below, unless otherwise specified in the Pricing Supplement.</p> <p>See “Australian Taxation” below for an overview of the Australian tax treatment of payments of interest on the MTNs. Investors should obtain their own taxation advice regarding the taxation status of investing in the MTNs.</p>
<b>Clearing System:</b>	MTNs may be transacted through the Austraclear System or any other Clearing System specified in the relevant Pricing Supplement.
<b>Listing:</b>	Application may be made for one or more Tranches issued pursuant to the Programme to be listed on the Australian Securities Exchange operated by ASX Limited or any other stock exchange. MTNs which are listed on the Australian Securities Exchange will not be transferred through or registered on the Clearing House Electronic Sub-Register System (“CHESS”) and will not be “CHESS approved securities”.
<b>Substitute Issuer:</b>	The Issuer may, without the consent of the MTN Holders, substitute any entity (including a special purpose company) in respect of all of the obligations of the Issuer in connection with one or more Series of Senior MTNs. Condition 17 of the MTN Terms and Conditions specifies the matters that need to be complied with before such a substitution takes place. These matters include the obtaining of all necessary governmental authorities, and the continuance of a credit rating for rated MTNs which is investment grade and at least equal to the credit rating immediately prior to the substitution, and the provision of an unconditional and irrevocable guarantee of the new issuer’s obligations by the Issuer.
<b>Calculation Agent:</b>	A Calculation Agent may be named in the Pricing Supplement in respect of each Tranche of MTNs. The Issuer may terminate the appointment of the Calculation Agent, appoint additional or other Calculation Agents or elect to have no Calculation Agent. Where no Calculation Agent is appointed the calculation of interest and principal payments in respect of MTNs will be made by the Issuer.
<b>Subordination (Subordinated MTNs):</b>	The rights and claims of the Subordinated MTN Holders against the Issuer in respect of payments under the Subordinated MTNs are subordinated to the claims of the Senior Creditors of the Issuer.



The Subordinated MTNs are subject to more limited events of default than the Senior MTNs. The details of, and remedies for, the Subordinated MTN Events of Default are contained in Condition 8.3 and Condition 8.4 of the MTN Terms and Conditions. Subordinated MTN Holders should note that the recovery of any unpaid amount is subject to the Issuer being able to pay the principal, interest or other amount and remaining solvent.

In a winding up of the Issuer, a Subordinated MTN Holder's entitlement to the principal, interest and other amounts due in respect of the Subordinated MTNs is subordinated to the claims of the Senior Creditors of the Issuer in that all claims of Senior Creditors must be paid in full before the Subordinated MTN Holder's claims are paid and until the Senior Creditors have been paid in full, the Subordinated MTN Holders must not claim in the winding up in competition with the Senior Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Creditors would have been entitled to receive.

The ranking of the Subordinated MTNs in a winding up is intended to be equal to Equal Ranking Securities.

The claim of Subordinated MTN Holders in a winding up will be adversely affected if a Non-Viability Trigger Event occurs. If, following a Non-Viability Trigger Event, Subordinated MTNs are Converted into Ordinary Shares, Subordinated MTN Holders will have a claim as an ordinary shareholder of IAG. If, following a Non-Viability Trigger Event, Subordinated MTNs are Written-Off, all rights in relation to those Subordinated MTNs will be terminated and Subordinated MTN Holders will not have their capital repaid.

The ranking of claims in relation to MTNs (as compared with certain other liabilities) in a winding up of the Issuer is illustrated diagrammatically as follows.

**MTNs issued by IAG — ranking in a Winding-Up**

The following is a simplified diagram representing the ranking of certain liabilities incurred and certain securities issued by IAG, or which could be issued or incurred by IAG in the future. The diagram does not include every type of current liability or security on issue, or every type of liability that could be incurred or security that could be issued in the future by IAG. IAG could incur further liabilities, raise more debt or guarantee additional amounts at any time.

	Type of obligation	Examples of obligations/securities
	Secured debt and liabilities preferred by law	Senior ranking secured obligations and liabilities mandatorily preferred by law (including employee entitlements)
	<b>Senior MTNs issued by IAG</b>	Unsubordinated unsecured debt  Senior MTNs issued by IAG, other bonds and notes, unsecured senior debt facilities, trade and general creditors
	<b>Subordinated MTNs issued by IAG</b>	Basel III compliant Tier 2 capital instruments  Subordinated MTNs issued by IAG*, other Tier 2 capital instruments issued or guaranteed by IAG on or after 1 January 2013, including the following instruments issued by IAG: <ul style="list-style-type: none"> <li>• \$350,000,000 Subordinated MTNs due 15 June 2044 in March 2018</li> <li>• \$450,000,000 Subordinated MTNs due 15 June 2045 issued in March 2019</li> <li>• \$450,000,000 Subordinated MTNs due 15 December 2036 issued in August 2020</li> <li>• NZD400,000,000 unsecured subordinated convertible notes due 2038 issued in April 2022.</li> </ul>
	Preference shares and other equally ranked instruments	Additional Tier 1 capital instruments (such as capital notes and convertible preference shares) and other obligations ranking senior only to ordinary shares, including the \$500,000,000 perpetual capital notes (known as "Capital Notes 2") issued in December 2022
<b>Lower ranking</b>	Ordinary Shares	Ordinary Shares

\*If a Subordinated MTN is Converted, the Ordinary Shares that the MTN Holder receives on Conversion will rank equally with other Ordinary Shares. If a Subordinated MTN is Written-Off, MTN Holders have no claim.

**No Set-Off (Subordinated MTNs):**

Neither the Issuer nor a Subordinated MTN Holder has any contractual right to set off any sum at any time due and payable to a Subordinated MTN Holder or the Issuer (as applicable) under or in relation to the Subordinated MTNs against amounts owing by the Subordinated MTN Holder to the Issuer or by the Issuer to the Subordinated MTN Holder (as applicable).

**Non-Viability Trigger Event (Subordinated MTNs):**

Certain risks arise in respect of Subordinated MTNs which are subject to mandatory Conversion into ordinary shares in IAG (“**Ordinary Shares**”) or Write-Off, if a Non-Viability Trigger Event occurs. The applicable Pricing Supplement will specify whether the Subordinated MTNs are liable to Conversion (failing which, the Subordinated MTNs will be liable to Write-Off) (“**Conversion Option**”) or liable for immediate Write-Off (“**Write-Off Option**”).

Potential investors in Subordinated MTNs should consider Conditions 6A, 6B and 6C of the MTN Terms and Conditions where the Non-Viability Trigger Event and related provisions are set out. APRA has not provided guidance as to how it would determine non-viability. Non-viability could be expected to include serious impairment of IAG’s financial position and insolvency, and it is also possible that the serious impairment of the financial position of one or more of IAG’s subsidiaries may impact on IAG’s viability. However, it is possible that APRA’s definition of non-viable may not necessarily be confined to solvency measures or capital ratios and APRA’s position on these matters may change over time. In the context of authorised deposit-taking institutions (“**ADIs**”), APRA has indicated that it may regard non-viability as occurring well before an ADI is at risk of becoming insolvent. APRA may publish further guidance on the parameters used to determine non-viability, however, it is possible that it will not provide any further guidance and the Issuer has no control over whether it will do so. Non-viability may be significantly impacted by a number of factors, including factors which affect the business, operation and financial condition of IAG. For instance, systemic and non-systemic macroeconomic, environmental and operational factors, domestically or globally may affect the viability of IAG.

If a Non-Viability Trigger Event occurs and the relevant Non-Viability Determination is made on the grounds that, without a public sector injection of capital or equivalent support, IAG would become non-viable, all Subordinated MTNs must be Converted or Written-Off (as applicable) in full.

If a Non-Viability Trigger Event occurs and the relevant Non-Viability Determination:

- (1) is made on grounds other than that a public sector injection of capital or equivalent support is required; and
- (2) does not otherwise require all Relevant Securities to be converted into Ordinary Shares or written-off,

then, on the date of such event, the Issuer will:

- first convert into Ordinary Shares or write-off all Relevant Tier 1 Securities; and
- secondly, if conversion into Ordinary Shares or write-off of all Relevant Tier 1 Securities is not sufficient to satisfy APRA that the Issuer is viable without further conversion or write-off then:
  - (a) if the Conversion Option applies to the Subordinated MTNs, the Issuer will be required to Convert some or all of the principal amount of the relevant Subordinated MTNs into Ordinary Shares. If Conversion of the relevant Nominal Amount of those Subordinated MTNs that are subject to Conversion has not been effected within five Business Days after the relevant Trigger Event Date for any reason (including, without limitation, an Inability Event), the Issuer will be required to Write-Off some or all of the principal amount of the Subordinated MTNs and immediately and irrevocably terminate the rights of the holders of such Subordinated MTNs; or

- (b) if the applicable Pricing Supplement specifies that the Write-Off Option applies to the Subordinated MTNs, the Issuer will be required to Write-Off some or all of the principal amount of the Subordinated MTNs and immediately and irrevocably terminate the rights of the holders of such Subordinated MTNs.

If less than all Subordinated MTNs are to be Converted or Written-Off, the Conversion or Write-Off of Subordinated MTNs will be on an approximately pro-rata basis with other Relevant Tier 2 Securities of IAG.

As at the date of this Information Memorandum IAG has Relevant Tier 1 Securities on issue, being the \$500,000,000 perpetual capital notes issued by IAG on 22 December 2022, and has Relevant Tier 2 Securities on issue, being the \$350,000,000 Subordinated MTNs due 15 June 2044 issued by IAG on 29 March 2018, the \$450,000,000 Subordinated MTNs due 15 June 2045 issued by IAG on 28 March 2019, the \$450,000,000 Subordinated MTNs due 15 December 2036 issued by IAG on 24 August 2020 and the NZD400,000,000 unsecured subordinated convertible notes due 2038 issued by IAG on 5 April 2022. IAG does not have any obligation to issue or to keep on issue any Relevant Tier 1 Securities or Relevant Tier 2 Securities.

The following table is a simplified diagram of the order in which conversion or write-off of Relevant Capital Instruments is required to occur if a Non-Viability Determination is made in respect of IAG and the determination does not require all Relevant Capital Instruments to be converted or written-off. The diagram does not include every type of security issued or that could be issued in the future by the Issuer. Note that Conversion is required to occur immediately, and shall not be prevented, impeded or delayed by the failure or delay in the conversion or write-off of other Relevant Securities. Certain capital instruments of the Issuer may not contain conversion features equivalent to those of the Subordinated MTNs and, in this respect, holders of Subordinated MTNs may be in a less favourable position than holders of other securities of the Issuer if a Non-Viability Determination is made.

	Nature of security	Non-Viability Determination given in respect of IAG
<b>First in line to absorb losses</b>	Relevant Tier 1 Securities	Relevant Tier 1 Securities of the IAG Level 2 Insurance Group, including the \$500,000,000 perpetual capital notes issued by IAG on 22 December 2022
↕		
<b>Second in line to absorb losses</b>	Relevant Tier 2 Securities	Subordinated MTNs and other Relevant Tier 2 Securities of the IAG Level 2 Insurance Group, including the following instruments issued by IAG: <ul style="list-style-type: none"> <li>• \$350,000,000 Subordinated MTNs due 15 June 2044 issued in March 2018</li> <li>• \$450,000,000 Subordinated MTNs due 15 June 2045 issued in March 2019</li> <li>• \$450,000,000 Subordinated MTNs due 15 December 2036 issued in August 2020</li> <li>• NZD400,000,000 unsecured subordinated convertible notes due 2038 issued in April 2022</li> </ul>

If a Non-Viability Trigger Event occurs in relation to IAG, Subordinated MTNs issued by IAG will be required to be Converted. No assurance can be given as to the timing of the occurrence of a Non-Viability Trigger Event.

When Subordinated MTNs are Written-Off investors will lose some or all of the value of their investment and will not receive any compensation. Where Subordinated MTNs are Converted, investors may receive Ordinary Shares worth significantly less than the principal amount of the investor's Subordinated MTNs.

Conversion on account of a Non-Viability Trigger Event could occur at any time. There may be no market in Ordinary Shares received on Conversion and investors may not be able to sell the Ordinary Shares at a price equal to the value of their investment and as a result may suffer loss. The sale of Ordinary Shares may also be restricted by applicable Australian law and as a result investors may suffer loss. In certain circumstances, the Ordinary Shares that an investor would receive on Conversion will be issued to a nominee, who will sell the shares on behalf of that investor. The nominee will have no duty to obtain a fair market price in such sale.

There are provisions of Australian law that are relevant to the ability of any person to acquire interests in IAG beyond the limits prescribed by those laws. Subordinated MTN Holders should take care to ensure that by acquiring any Subordinated MTNs which provide for such Subordinated MTNs to be Converted to Ordinary Shares, they do not breach any applicable restrictions on the ownership of interests in IAG. If the acquisition or Conversion of such Subordinated MTNs by the Subordinated MTN Holder or a nominee would breach those restrictions then, in addition to other sanctions for these breaches under the applicable law, the Issuer may be prevented from Converting such Subordinated MTNs and where Conversion is required such Subordinated MTNs may be required to be Written-Off.

Depending upon its performance and financial position, there is a risk that the Issuer may default on payment of some or all of the interest, principal or any premium on a Subordinated MTN. In this case, investors' rights are limited to certain specified remedies and, for example, investors do not have the right to require the Issuer to redeem the Subordinated MTN early. Although the MTN Terms and Conditions may specify certain remedies (for example, seeking an order for the winding up of the Issuer) the grant of those remedies may be in the discretion of the court, and as such may not be granted.

**Holder Conversion Option**

Where specified in the relevant Pricing Supplement, Subordinated MTNs may be issued on terms which allow the holder of a Subordinated MTN to require the Issuer to Convert that Subordinated MTN into Ordinary Shares, provided certain conditions are met. The date on which Holder Conversion may occur shall not fall earlier than the second anniversary of the last date on which the Issuer may redeem or Resell, at its option, Subordinated MTNs in accordance with Condition 6.4) (see Condition 6D of the MTN Terms and Conditions).

# Terms and Conditions of STNs for Insurance Australia Group Limited

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*The following are the Terms and Conditions of the STNs which, as supplemented, modified or replaced in relation to any STNs by any relevant Supplement (“STN Supplement”), will be applicable to each Series of STNs so issued.*

*A Tranche may be the subject of an STN Supplement. References in these Terms and Conditions are references to any STN Supplement applicable to the relevant Tranche of STNs.*

*STNs are unsecured debt obligations of the Issuer owing under the STN Deed Poll and will take the form of entries in the STN Register.*

*Each STN Holder and any person claiming through or under an STN Holder is deemed to have notice of and is bound by these Terms and Conditions, the STN Deed Poll, any relevant STN Supplement and the Information Memorandum. Copies of each of these documents are available for inspection by any STN Holder at the offices of the Issuer and the Registrar at their respective addresses specified in the Information Memorandum.*

## 1 Interpretation

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### 1.1 Definitions

The following words have these meanings in these terms and conditions unless the contrary intention appears:

**Alternate Currency** means a currency (other than Australian Dollars) specified in any agreed issue documentation relating to those STNs.

**Austraclear** means Austraclear Limited (ABN 94 002 060 773).

**Austraclear Regulations** means the regulations known as the “Regulations and Operating Manual” established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System.

**Austraclear System** means the system operated by Austraclear for holding securities and electronic recording and settling of transactions in those securities between members of that system.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general banking business in Sydney and Melbourne.

**Condition** means the correspondingly numbered condition in these Terms and Conditions.

**Corporations Act** means the Corporations Act 2001 of Australia.

**Information Memorandum** means, in relation to STNs, at any time the then latest information memorandum (and any supplement to it) prepared on behalf of, and approved in writing by, the Issuer in connection with the issue of (amongst other things) STNs, all documents incorporated by reference in it and such other information approved in writing by the Issuer from time to time.

**Issuer** means Insurance Australia Group Limited (ABN 60 090 739 923).

**Maturity Date** means in relation to STNs, the day on which an issue of STNs is due and payable.

**Programme Manager** means Westpac Banking Corporation (ABN 33 007 457 141) in its capacity as administration manager of the Programme, or such other person appointed by the Issuer from time to time and who has consented to act as Programme Manager.

**Registrar** means in relation to STNs, Computershare Investor Services Pty Limited (ABN 48 078 279 277) or such other person appointed by the Issuer pursuant to the Registry Services Agreement to establish and maintain the STN Register for such STNs on the Issuer’s behalf from time to time.

**Registry Services Agreement** means each agreement entered into between the Issuer and a Registrar and any replacement of it and includes, for the avoidance of doubt, the agreement entitled “Registry Services Agreement” dated 24 August 2000 as amended by the “Accession and Amending Agreement”

dated 12 November 2002 and the "Accession and Amending Agreement" dated on or about 31 October 2007 between the Issuer, and Computershare Investor Services Pty Limited and any replacement of it.

**Related Body Corporate**, in relation to a person, means a body corporate that is related to that person by virtue of section 50 of the Corporations Act.

**Series** means an issue of STNs made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the issue date may be different in respect of different Tranches of a Series.

**STN** means a short term registered debt obligation of the Issuer constituted by, and owing under the STN Deed Poll to an STN Holder, the details of which are recorded in, and evidenced by, inscription in the STN Register.

**STN Deed Poll** means the deed poll in relation to STNs executed by the Issuer in New South Wales on or about 31 October 2007.

**STN Holder** means a person whose name is for the time being entered in the STN Register as the holder of an STN or, where an STN is held jointly by two or more persons, the persons whose names appear in the STN Register as the joint holders of that STN. For the avoidance of doubt, where an STN is entered into the Austraclear System, this includes Austraclear acting on behalf of a member of the Austraclear System.

**STN Register** means a register, including any branch register, of STN Holders established and maintained by or on behalf of the Issuer in which is entered the names and addresses of STN Holders, the amount of STNs held by each such STN Holder and the date of issue and transfer of those STNs, and any other particulars which the Issuer sees fit.

**STN Supplement** means any supplement to the Information Memorandum or to these terms and conditions prepared and issued in relation to an issue of STNs which has been confirmed by the Issuer.

## 1.2 Interpretation

In these terms and conditions unless the contrary intention appears:

- (a) a reference to Australian Dollars, A\$ or dollars is a reference to the lawful currency of the Commonwealth of Australia;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) the singular includes the plural and vice versa;
- (d) the word "person" includes a firm, body corporate, an unincorporated association or an authority;
- (e) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (f) a reference to any thing (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively and to each of them individually.

## 1.3 Headings

Headings are inserted for convenience and do not affect the interpretation of these terms and conditions.

## **2 Form, denomination and title**

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### **2.1 Constitution under STN Deed Poll**

The STNs are registered debt obligations of the Issuer constituted by, and owing under, the STN Deed Poll and take the form of entries in the STN Register. Each entry in the STN Register constitutes a separate and individual acknowledgment to the relevant STN Holder of the indebtedness of the Issuer to the relevant STN Holder.

### **2.2 Independent obligations**

The obligations of the Issuer in respect of each issue of STNs constitute separate and independent obligations which the STN Holder to whom those obligations are owed is entitled to enforce without having to join any other STN Holder or any predecessor in title of an STN Holder.

### **2.3 Denomination**

STNs are issued in denominations of A\$10,000. STNs may only be issued if the consideration payable is a minimum of A\$500,000 (or the equivalent in an Alternate Currency) (disregarding any moneys lent by the Issuer or its associates) or the offer or invitation otherwise does not require disclosure to investors under Part 6D.2 of the Corporations Act.

### **2.4 STN Register conclusive**

Entries in the STN Register in relation to an STN constitute conclusive evidence that the person so entered is the registered holder of the STN subject to rectification for fraud or error. No STN will be registered in the name of more than four persons. An STN registered in the name of more than one person is held by those persons as joint tenants. STNs will be registered by name only without reference to any trusteeship. The person registered in the STN Register as an STN Holder will be treated by the Issuer and the Registrar as absolute owner of that STN and neither the Issuer nor the Registrar is, except as ordered by a court or as required by statute, obliged to take notice of any other claim to an STN.

### **2.5 Holder absolutely entitled**

Upon a person acquiring title to any STN by virtue of becoming an STN Holder in respect of that STN, all rights and entitlements arising by virtue of the STN Deed Poll in respect of that STN vest absolutely in the STN Holder, such that no person who has previously been the STN Holder in respect of that STN has or is entitled to assert against the Issuer or the Registrar or the STN Holder for the time being and from time to time any rights, benefits or entitlements in respect of the STN.

### **2.6 Location of STN Register**

Each STN Register will be established and maintained in New South Wales unless otherwise agreed with the Registrar.

### **2.7 Certificates**

No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to an STN unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

## **3 Transfers**

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### **3.1 Limit on transfer**

STNs may only be transferred in whole.

STNs may only be transferred if:

- (a) the consideration payable at the time of transfer is a minimum amount of A\$500,000 (or the equivalent in an Alternate Currency) (disregarding any moneys lent by the transferor or its associates to the transferee) or the transfer does not otherwise require disclosure to be made to investors under Part 6D.2 of the Corporations Act; and



- (b) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

### **3.2 Transfer procedures**

STNs entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

### **3.3 Registration of transfer**

The transferor of an STN is deemed to remain the holder of that STN until the name of the transferee is entered in the STN Register in respect of that STN. Transfers will not be registered later than four days prior to the relevant Maturity Date.

### **3.4 No charge on transfer**

Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid.

### **3.5 Estates**

A person becoming entitled to an STN as a consequence of the death or bankruptcy of an STN Holder or of a vesting order or a person administering the estate of an STN Holder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the STN or, if so entitled, become registered as the STN Holder in respect of that STN.

### **3.6 Unincorporated associations**

A transfer to an unincorporated association is not permitted.

## **4 Status**

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### **4.1 Status**

STNs are direct, unsubordinated and unsecured obligations of the Issuer.

### **4.2 Ranking**

STNs rank at least equally with all other unsecured and unsubordinated obligations of the Issuer except liabilities mandatorily preferred by law.

## **5 Redemption and purchase**

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### **5.1 Redemption on maturity**

Unless previously redeemed, or purchased and cancelled, each STN shall be redeemed on its Maturity Date at its face value amount.

### **5.2 Purchase of STNs**

The Issuer or any Related Body Corporate may at any time purchase STNs in the open market or otherwise and at any price. All unmatured STNs purchased in accordance with this condition may be held, resold or cancelled at the discretion of the Issuer, subject to compliance with all legal and regulatory requirements.

## **6 Payments**

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### **6.1 Payment of principal**

Payments of principal will be made to each person registered at 10.00 am on the Maturity Date as an STN Holder.

### **6.2 Payments to accounts**

Payments in respect of STNs will be made:

- (a) if the STNs are held in the Austraclear System, by crediting on the Maturity Date, the amount due to:
  - (i) the account of Austraclear (as the STN Holder) in Australian Dollars; or
  - (ii) if requested by Austraclear, the accounts of the persons in whose Security Record (as defined in the Austraclear Regulations) an STN is recorded in Australian Dollars; and
- (b) if the STNs are not held in the Austraclear System, by crediting on the Maturity Date, the amount then due under each STN to an account in the country of the currency in which the STN is denominated previously notified by the STN Holder to the Issuer and the Registrar.

### **6.3 Taxation**

All payments in respect of STNs are subject in all cases to applicable provisions of fiscal and other laws, regulations and directives ("Relevant Laws"). If the Issuer or anyone making payment on its behalf is obliged by any Relevant Law to deduct or withhold any amounts from a payment otherwise due to an STN Holder, it will do so. Nothing in this condition imposes on the Issuer or anyone making payment on its behalf any obligation or liability whatsoever to reimburse or compensate or make any payment to the STN Holder for or in respect of the deducted or withheld amount.

### **6.4 Time limit for claims**

A claim against the Issuer for a payment under an STN is void unless made within five years of the due date for that payment or the date, if later, on which that payment is fully provided for by the Issuer.

### **6.5 Business Days**

All payments must be made on a Business Day but if a payment falls on a day that is not a Business Day, the payment is postponed to the first following day that is a Business Day.

### **6.6 Alternate Currencies**

If an amount is required to be determined in Australian Dollars, the Australian Dollar equivalent of an STN denominated in an Alternate Currency is to be determined on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of the relevant Alternate Currency in the Sydney foreign exchange market quoted by any leading bank selected by the Issuer on the relevant calculation date. The calculation date is, at the discretion of the Issuer, either the date of the relevant Supplement for such STNs or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney or such other date as may be agreed between the Issuer and the Programme Manager.

## **7 Notices**

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### **7.1 To the Issuer and the Registrar**

A notice or other communication in connection with an issue of STNs to the Issuer or the Registrar must be in writing and may be given by prepaid post or delivery to the address of the addressee or by facsimile to the facsimile number of the addressee specified:

- (a) in the Information Memorandum; or
- (b) as otherwise agreed between those parties from time to time and notified to the STN Holders.

### **7.2 To STN Holders**

A notice or other communication in connection with an issue of STNs to the STN Holders must be in writing and may be given by:

- (a) an advertisement published in The Australian Financial Review or any other newspaper or newspapers circulating in Australia generally; or

- (b) prepaid post or delivery or by facsimile to the address or facsimile address, as the case may be, of each relevant STN Holder as shown in the STN Register at the close of business three Business Days prior to the dispatch of the relevant notice or communication.

### **7.3 Effective on receipt**

Unless a later time is specified in it a notice, approval, consent or other communication takes effect from the time it is received, except that if it is received after 5.00pm in the place of receipt or on a non-business day in that place, it is to be taken to be received at 9.00am on the next succeeding Business Day in that place.

### **7.4 Proof of receipt**

Subject to Condition 7.3 (*Effective on receipt*), proof of posting of a letter or of dispatch of a facsimile or of publication of a notice is proof of receipt:

- (a) in the case of a letter, on the third day after posting; and
- (b) in the case of a facsimile, on receipt by the sender of a successful transmission report; and
- (c) in the case of publication, on the date of such publication.

## **8 Amendments**

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The Terms and Conditions may be amended by the Issuer (after consultation with the Programme Manager) and the Registry Services Agreement may be amended by the parties thereto (after consultation with the Programme Manager), without the consent of any STN Holder:

- (a) for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions therein; or
- (b) in the case of the Terms and Conditions, in any manner which the Issuer deems, or in the case of the Registry Services Agreement, in any manner which the Issuer and the Registrar deem, necessary or desirable and which does not adversely affect the interests of the STN Holders.

## **9 Registrar**

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### **9.1 Role of the Registrar**

In acting under the Registry Services Agreement in connection with the STNs, the Registrar acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the STN Holders save insofar as that any funds received by the Registrar in accordance with the Registry Services Agreement shall, pending their application in accordance with the Registry Services Agreement, be held by it in a segregated account which shall be held on trust for the persons entitled thereto.

### **9.2 Change of Registrar**

The Issuer reserves the right at any time to terminate the appointment of the Registrar in accordance with the relevant Registry Services Agreement and to appoint a successor or additional registrars, provided, however, that the Issuer must at all times maintain the appointment of a registrar with its specified office in Australia. Notice of any such termination of appointment will be given to the STN Holders in accordance with Condition 7 (*Notices*).

### **9.3 Appointment of replacement Registrar**

If for any reason a then current Registrar ceases to be Registrar the Issuer must ensure that a replacement Registrar is appointed with effect from the relevant date.

## **10 Governing law and jurisdiction**

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### **10.1 Governing law**

The STNs are governed by the law in force in the State of New South Wales.

## **10.2 Jurisdiction**

The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the State of New South Wales and courts of appeal from them.

# Terms and Conditions of MTNs for Insurance Australia Group Limited

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*The following are the terms and conditions of the MTNs (“Conditions”) which, as supplemented, modified or replaced in relation to any MTNs by the relevant Pricing Supplement, will be applicable to each Series of MTNs to be issued by the Issuer.*

*Each Tranche will be the subject of a Pricing Supplement. References in the Conditions to a Pricing Supplement are references to the Pricing Supplement applicable to the relevant Tranche of MTNs.*

*Each MTN Holder and any person claiming through or under an MTN Holder is deemed to have notice of and is bound by these Conditions, the MTN Deed Poll, the Information Memorandum and the relevant Pricing Supplement. Copies of each of these documents (to the extent they relate to a Tranche of MTNs) are available for inspection by any MTN Holder of such Tranche at the offices of the Issuer and the Registrar at their respective addresses specified in the Information Memorandum.*

## 1 Interpretation

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### 1.1 Definitions

The following words have these meanings in these Conditions unless the contrary intention appears:

**Additional Interest Amounts** has the meaning given in Condition 5.9.

**Adjustment Spread** means the adjustment spread as at the Adjustment Spread Fixing Date (which may be a positive or negative value or zero and determined pursuant to a formula or methodology) that is:

- (a) determined as the median of the historical differences between the BBSW Rate and AONIA over a five calendar year period prior to the Adjustment Spread Fixing Date using practices based on those used for the determination of the Bloomberg Adjustment Spread as at 1 December 2022, provided that for so long as the Bloomberg Adjustment Spread is published and determined based on the five year median of the historical differences between the BBSW Rate and AONIA, that adjustment spread will be deemed to be acceptable for the purposes of this paragraph (a); or
- (b) if no such median can be determined in accordance with paragraph (a), set using the method for calculating or determining such adjustment spread determined by the Calculation Agent (after consultation with the Issuer where practicable) to be appropriate.

**Adjustment Spread Fixing Date** means the first date on which a Permanent Discontinuation Trigger occurs with respect to the BBSW Rate.

**Administrator** means:

- (a) in respect of the BBSW Rate, ASX Benchmarks Limited (ABN 38 616 075 417);
- (b) in respect of AONIA, the Reserve Bank of Australia; and
- (c) in respect of any other Applicable Benchmark Rate, the administrator for that rate or benchmark or, if there is no administrator, the provider of that rate or benchmark,

and, in each case, any successor administrator or, as applicable, any successor administrator or provider.

**Administrator Recommended Rate** means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Administrator of the BBSW Rate.

**Agency Agreement** means each agreement entered into between the Issuer and an Agent and any replacement of it and includes, for the avoidance of doubt, any agreement under which the Issuer appoints a person to perform administrative services and/or issue and paying agency functions, details of which are specified in the Information Memorandum or in any relevant Pricing Supplement.

**Agent** means each person appointed from time to time by the Issuer, with the consent of the Programme Manager, to perform agency functions under an Agency Agreement, details of which are specified in the relevant Pricing Supplement or in the Information Memorandum.

**Alternate Currency** means a currency (other than Australian Dollars) which is specified in the Pricing Supplement.

**Amortisation Yield** means the amortisation yield specified in the Pricing Supplement.

**Amortised Face Amount** means in relation to an MTN, an amount equal to the sum of:

- (a) the Purchase Price specified in the Pricing Supplement; and
- (b) the product of the Amortisation Yield specified in the Pricing Supplement (compounded annually) being applied to the Purchase Price (as specified in the Pricing Supplement) from (and including) the Issue Date specified in the Pricing Supplement to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the MTN becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction specified in the Pricing Supplement.

**AONIA** means the Australian dollar interbank overnight cash rate (known as AONIA).

**AONIA Observation Period** means the period from (and including) the date falling five Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on (but excluding) the date falling five Business Days prior to the end of such Interest Period (or the date falling five Business Days prior to such earlier date, if any, on which the MTNs become due and payable).

**AONIA Rate** means, for an Interest Period and in respect of an Interest Determination Date, the rate determined by the Calculation Agent to be Compounded Daily AONIA for that Interest Period and Interest Determination Date plus the Adjustment Spread.

**Applicable Benchmark Rate** means the Benchmark Rate specified in the relevant Pricing Supplement and, if a Permanent Fallback Effective Date has occurred with respect to the BBSW Rate, AONIA or the RBA Recommended Rate, then the rate determined in accordance with Condition 5.3(d) ("Benchmark Rate fallback").

**Applicable Business Day Convention** means the Business Day Convention specified in the Pricing Supplement as applicable to any date in respect of the MTN or, if none is specified, the Applicable Business Day Convention for such purpose is the Following Business Day Convention. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates and any other date or dates in respect of any MTNs.

**APRA** means the Australian Prudential Regulation Authority as constituted under the Australian Prudential Regulation Authority Act 1998 (Cth) or any successor Government Agency responsible for prudential regulation.

**Arrears of Interest** has the meaning given in Condition 5.8.

**Assets** means, in the respect of the Issuer, its total non-consolidated gross assets as shown by its latest published audited financial statements but adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or its liquidator may determine to be appropriate.

**ASX Listing Rules** means the listing rules of the Australian Securities Exchange as amended, varied or waived (whether in respect of the Issuer or generally) from time to time.

**ASX Operating Rules** means the market operating rules of the Australian Securities Exchange as amended, varied or waived (whether in respect of the Issuer or generally) from time to time.

**ASX Settlement Operating Rules** means the settlement operating rules of the Australian Securities Exchange as amended, varied or waived (whether in respect of the Issuer or generally) from time to time.

**Attorney** has the meaning given in Condition 6F.2.

**Austraclear** means Austraclear Limited (ABN 94 002 060 773).

**Austraclear Regulations** means the regulations known as the “Regulations and Operating Manual” established by Austraclear as amended, varied or waived (whether in respect of the Issuer or generally) from time to time to govern the use of the Austraclear System.

**Austraclear System** means the system operated by Austraclear for holding securities and electronic recording and settling of transactions in those securities between members of that system.

**Australian Dollars** and **A\$** mean the lawful currency of Australia.

**Australian Securities Exchange** means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires.

**BBSW Rate** means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the “AVG MID” on the ‘Refinitiv Screen ASX29 Page’ or the ‘Bloomberg Screen BBSW Page’ (or any designation which replaces that designation on the applicable page, or any replacement page) at the Publication Time on the first Business Day of that Interest Period.

**Benchmark Rate** means, for an Interest Period, either the BBSW Rate or the AONIA Rate as specified in the relevant Pricing Supplement.

**Bloomberg Adjustment Spread** means the term adjusted AONIA spread relating to the BBSW Rate provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted AONIA and the spread) (“**BISL**”) on the Fallback Rate (AONIA) Screen (or by other means), or provided to, and published by, authorised distributors where Fallback Rate (AONIA) Screen means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for the BBSW Rate accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by BISL.

**Business Day** means:

- (a) in the case of a Subordinated MTN, for the purposes of Conditions 6A to 6F (inclusive), a day which is a business day within the meaning of the ASX Listing Rules;
- (b) for all other purposes, means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general banking business in the place

specified in the Pricing Supplement, or, if no such place is specified, Sydney and Melbourne; and

- (c) if an MTN is to be issued or paid on a Business Day other than in the case of a Subordinated MTN, a payment taken to be made as part of the Conversion of that Subordinated MTN:
  - (i) a day on which commercial banks settle payments, in the case of Australian Dollars, in Sydney and Melbourne, and, in the case any other currency, in the principal financial city in the country of that currency; and
  - (ii) a day on which the relevant Clearing System for that MTN is operating.

**Business Day Convention** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the Following Business Day Conventions, where specified in the Pricing Supplement in relation to any date applicable to any MTN, have the following meanings:

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
  - (i) such date is brought forward to the first preceding day that is a Business Day; and
  - (ii) each subsequent Interest Payment Date is the last Business Day in the calendar month which is the specified number of months (or other period specified as the Interest Period in the applicable Pricing Supplement) after the calendar month in which the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day; and
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day.

**Calculation Agent** means, in respect of a Tranche, the person (if any) specified as such in the relevant Pricing Supplement. The Calculation Agent must be the same for all MTNs in a Series.

**CHES** means the Clearing House Electronic Subregister System operated by the Australian Securities Exchange or any system that replaces it relevant to the Subordinated MTNs (including in respect of the transfer or Conversion of the Subordinated MTNs).

**Clearing System** means:

- (a) the Austraclear System;
- (b) Euroclear Bank S.A./N.V.;
- (c) Clearstream Banking, société anonyme, Luxembourg; or
- (d) any other clearing system specified in the relevant Pricing Supplement.



**Compounded Daily AONIA** means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the AONIA Observation Period corresponding to such Interest Period (with AONIA as the reference rate for the calculation of interest) as calculated by the Calculation Agent on the fifth Business Day prior to the last day of each Interest Period, as follows:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{AONIA_{i-5SBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**$AONIA_{i-5SBD}$**  means the per annum rate expressed as a decimal which is the level of AONIA provided by the Administrator and published as of the Publication Time for the Business Day falling five Business Days prior to such Business Day “ $i$ ”;

**$d$**  is the number of calendar days in the relevant Interest Period;

**$d_0$**  is the number of Business Days in the relevant Interest Period;

**$i$**  is a series of whole numbers from 1 to  $d_0$ , each representing the relevant Business Day in chronological order from (and including) the first Business Day in the relevant Interest Period to (and including) the last Business Day in such Interest Period;

**$n_i$**  for any Business Day “ $i$ ”, means the number of calendar days from (and including) such Business Day “ $i$ ” up to (but excluding) the following Business Day; and

**$SBD$**  means any day on which commercial banks are open for general business in Sydney.

If, for any reason, Compounded Daily AONIA needs to be determined for a period other than an Interest Period, Compounded Daily AONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period.

**Condition** means the correspondingly numbered condition in these Conditions.

**Conditions** means these terms and conditions of the MTNs.

**Control** has the meaning given in the Corporations Act.

**Controlled Entity** means an entity the Issuer Controls.

**Conversion** means, in relation to a Subordinated MTN or a portion of a Subordinated MTN, the conversion of all, some or a proportion of that Subordinated MTN into Ordinary Shares in accordance with and subject to Conditions 6A to 6F (inclusive) and Schedule A to these Conditions, and “**Convert**”, “**Converting**” and “**Converted**” have corresponding meanings.

**Conversion Number** has the meaning given in Schedule A.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Costs** include costs, charges and expenses, including those incurred in connection with advisers.

**Day Count Fraction** means, in respect of the calculation of an amount for any period of time (“**Calculation Period**”), the day count fraction specified in the Pricing Supplement and:

- (a) if **Actual/365** or **Actual/Actual** is so specified, means the actual number of days in the Calculation Period divided by 365 or, if any portion of the Calculation Period falls in a leap year, the sum of:
  - (i) the actual number of days in the portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in the portion of the Calculation Period falling in a non-leap year divided by 365;
- (b) if **Actual/365 (fixed)** is so specified, the actual number of days in the Calculation Period divided by 365;
- (c) if **Actual/360** is specified, means the actual number of days in the Calculation Period divided by 360;
- (d) if **30E/360** or **Eurobond Basis** is specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (e) if **Australian Bond Basis** is specified, one divided by the number of Interest Payment Dates in a year.

**Dealer** means, in respect of an MTN, such person appointed by the Issuer as a dealer in respect of that MTN, in accordance with the Dealer Agreement.

**Dealer Agreement** means Annexure A to the Dealer Common Terms Deed Poll dated 28 February 2014 executed by each Issuer, as amended and supplemented from time to time.

**Defaulting Nominated Purchaser** has the meaning given in Condition 6.8(f).

**Denomination** means the notional face value of an MTN as specified in the relevant Pricing Supplement less, in the case of a Subordinated MTN, the aggregate of any part of the principal amount of that Subordinated MTN that has been reduced due to Conversion or Write-Off in accordance with Condition 6A.4.

**Early Redemption or Resale Amount (Call)** has the meaning given in Condition 6.4 (as may be supplemented by the relevant Pricing Supplement).

**Early Redemption Amount (Put)** has the meaning given in Condition 6.5 (as may be supplemented by the relevant Pricing Supplement).

**Early Redemption or Resale Amount (Regulatory)** has the meaning given in Condition 6.3(b).

**Early Redemption or Resale Amount (Tax)** has the meaning given in Condition 6.3(a) (as may be supplemented by the relevant Pricing Supplement).

**Early Termination Amount** means in relation to an MTN, the Outstanding Principal Amount or, if the MTN is non-interest bearing, the Amortised Face Amount or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement.

**Effective Date**, for the purposes of Condition 17, has the meaning given in Condition 17.3.

**Encumbrance** means any:

- (a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust or title retention arrangement and any "security interest" as defined in sections 12(1) or (2) of the Personal Property Securities Act 2009 (Cth); or
- (b) third party right or interest, or any right arising as a consequence of the enforcement of a judgment,

or any agreement to create any of them or allow them to exist.

**Equal Ranking Securities** means, in relation to the Subordinated MTNs, any Relevant Tier 2 Securities of the Issuer.

**Event of Default** has the meaning given to it in Condition 8.

**External Administrator** means, in respect of a person:

- (a) a liquidator, a provisional liquidator, an administrator or a statutory manager of that person; or
- (b) a receiver, or a receiver and manager, in respect of all or substantially all of the assets and undertakings of that person,

or in either case, any similar official.

**Extraordinary Resolution** has the same meaning as in the Meetings Provisions.

**FATCA** means:

- (a) sections 1471 to 1474 of the United States Internal Revenue Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

**Fallback Rate** means, where a Permanent Discontinuation Trigger for an Applicable Benchmark Rate has occurred, the rate that applies to replace that Applicable Benchmark Rate in accordance with Condition 5.3(d) ("Benchmark Rate fallback").

**Final Broken Amount** has the meaning given to it in the Pricing Supplement.

**Final Fallback Rate** means, in respect of an Applicable Benchmark Rate, the rate:

- (a) determined by the Calculation Agent as a commercially reasonable alternative for the Applicable Benchmark Rate taking into account all available information that, in good faith, it considers relevant, provided that any rate (inclusive of any spreads or adjustments) implemented by central counterparties and / or futures exchanges with representative trade volumes in derivatives or futures referencing the Applicable Benchmark Rate will be deemed to be acceptable for the purposes of this paragraph (a), together with (without double counting) such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for Benchmark Rate-linked floating rate notes at such time (together with such other

adjustments to the Business Day Convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for Benchmark Rate-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by the Calculation Agent (in consultation with the Issuer) to be appropriate; provided that

- (b) if and for so long as no such successor rate or alternative rate can be determined in accordance with paragraph (a), the Final Fallback Rate will be the last provided or published level of that Applicable Benchmark Rate.

**Financial Year** means any year beginning on 1 July and ending on 30 June.

**Foreign Holder** has the meaning given to it Condition 6B.3.

**Government Agency** means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity.

**Group** means the Issuer and its Subsidiaries.

**Holder Conversion** means, in the case of a Subordinated MTN, a Subordinated MTN to which Condition 6D applies, as specified in the relevant Pricing Supplement.

**Holder Conversion Date** means, for a Subordinated MTN, where Holder Conversion applies, each date specified in the relevant Pricing Supplement on which Holder Conversion may occur, provided always that no date may be specified as a Holder Conversion Date which falls earlier than the second anniversary of the last day on which the Issuer may redeem that Subordinated MTN under Condition 6.4.

**Holder Conversion Notice** has the meaning given in Condition 6D.1.

**Holder Details Notice** means a notice in the form available from the Registrar.

**IAG Level 2 Insurance Group** means the Level 2 insurance group (as defined by APRA from time to time) of which the Issuer is the parent entity.

**Inability Event** shall mean the Issuer is prevented by applicable law or order of any court or action of any Government Agency or External Administrator (including regarding the insolvency, winding up or other external administration of the Issuer) or any other reason from performing any obligations required of it in connection with the Conversion of the Subordinated MTNs.

**Information Memorandum** means, in relation to MTNs, the then latest information memorandum (and any supplement to it) prepared on behalf of, and approved in writing by, the Issuer in connection with the issue of (amongst other things) MTNs, all documents incorporated by reference in it and such other information (including the relevant Pricing Supplement) approved in writing by the Issuer from time to time.

**Initial Broken Amount** has the meaning given to it in the Pricing Supplement.

**Insolvency Event** means the happening of any of these events:

- (a) an application is made to a court for an order (and is not stayed, withdrawn or dismissed within 14 days) or an order is made that a body corporate be wound up; or
- (b) an application is made to a court for an order appointing a liquidator or provisional liquidator in respect of a body corporate (and is not stayed, withdrawn or dismissed within 14 days), or one of them is appointed, whether or not under an order; or

- (c) except to reconstruct or amalgamate while solvent a body corporate enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any of them; or
- (d) a body corporate resolves to wind itself up, or otherwise dissolve itself, or gives notice of intention to do so, except to reconstruct or amalgamate while solvent or is otherwise wound up or dissolved; or
- (e) a body corporate is or states that it is insolvent; or
- (f) a body corporate takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to a body corporate; or
- (g) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction.

**Interest Commencement Date** means the Issue Date or such other date as may be specified as such in the Pricing Supplement.

**Interest Determination Date** means, in respect of an Interest Period:

- (a) where the BBSW Rate applies or the Final Fallback Rate applies under Condition 5.3(d)(D)(ac), the first day of that Interest Period;
- (b) where AONIA Rate applies, the fifth Business Day prior to the last day of that Interest Period; and
- (c) otherwise, the date specified as such in the Pricing Supplement.

**Interest Payment Date** means the date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement and adjusted, if necessary, in accordance with the Applicable Business Day Convention.

**Interest Period** means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided that the first Interest Period commences on and includes the Interest Commencement Date and the final Interest Period ends on but excludes the Maturity Date.

**Interest Rate** means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the MTNs specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement and in the case of floating rate MTNs, the rate determined in accordance with Condition 5.3.

**Issue Date** means the day on which any MTN is or is to be issued as specified in or determined in accordance with the provisions of the Pricing Supplement.

**Issue Date VWAP** means, in respect of Subordinated MTNs of a Series, the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the first date on which any Subordinated MTNs of that Series were issued, as adjusted in accordance with paragraphs 4 to 7 (inclusive) of Schedule A.

**Issuer** means Insurance Australia Group Limited (ABN 60 090 739 923) and a Substitute Issuer if appointed in accordance with Condition 17.

**Junior Ranking Creditors** means, in respect of Subordinated MTNs, creditors of the Issuer whose claims against the Issuer:

- (a) arise under Junior Ranking Securities; or
- (b) are in respect of a shareholding including the claims described in section 563AA and in section 563A of the Corporations Act.

**Junior Ranking Securities** means, in respect of Subordinated MTNs:

- (a) any class of the Issuer's share capital; and
- (b) any other securities of the Issuer which are issued on terms that are eligible for inclusion as Tier 1 Capital of the IAG Level 2 Insurance Group (whether or not constituting Tier 1 Capital of the IAG Level 2 Insurance Group at any other time).

**Liabilities** means, in respect of the Issuer, its total non-consolidated gross liabilities as shown by its latest published audited financial statements but adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or its liquidator may determine to be appropriate.

**Margin** means the margin specified in, or determined in accordance with the provisions of, the Pricing Supplement.

**Maturity Date** means the date for redemption of an MTN or, in the case of an amortising MTN, the date on which the last instalment of principal is payable, in each case, as specified in the Pricing Supplement.

**Maturity Redemption Amount** means in relation to an MTN, the Outstanding Principal Amount, together with, in the case of Subordinated MTNs, any unpaid Arrears of Interest and any unpaid Additional Interest Amount, or such other redemption amount as may be specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

**Maximum Interest Rate** means the Maximum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

**Meetings Provisions** means the provisions for the convening of meetings of, and passing of resolutions by, MTN Holders set out in Schedule 2 of the MTN Deed Poll.

**Minimum Interest Rate** means the Minimum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

**MTN** means a medium term debt obligation of the Issuer constituted by, and owing under, the MTN Deed Poll to an MTN Holder, the details of which are recorded in, and evidenced by, inscription in an MTN Register.

**MTN Deed Poll** means the deed poll in relation to MTNs executed by the Issuer in New South Wales on or about 7 November 2007 and as amended and restated on 22 March 2018 and as further amended and restated on 4 March 2019.

**MTN Holder** means:

- (a) in respect of Subordinated MTNs only, for the purposes of determining the person entitled to be issued Ordinary Shares (or, where Condition 6B.3 applies, the net proceeds of sale of such shares) and the amount of their entitlements:
  - (i) for so long as such Subordinated MTNs are held in the Austraclear System, the Austraclear Participant (as defined in the Austraclear Regulations) for whose benefit the person whose name is for the time being entered in the relevant MTN Register (as the holder of that Subordinated MTN) holds that Subordinated MTN; and
  - (ii) for so long as such Subordinated MTNs are held in any other Clearing System specified in the relevant Pricing Supplement and Ordinary Shares are not able to be

held in that Clearing System, the participant of that Clearing System for whose benefit the person whose name is for the time being entered in the relevant MTN Register (as the holder of that Subordinated MTN) holds that Subordinated MTN; and

- (b) for all other purposes, a person whose name is for the time being entered in an MTN Register as the holder of an MTN or, where an MTN is held jointly by two or more persons, the persons whose names appear in the MTN Register as the joint holders of that MTN and (for the avoidance of doubt) when an MTN is entered into a Clearing System, includes the operator of that system or a nominee for a common depository for any one or more Clearing Systems (such operator or nominee for a common depository acting in such capacity as is specified in the rules and regulations of the relevant Clearing System or Clearing Systems).

**MTN Register** means a register, including any branch register, of MTN Holders established and maintained by or on behalf of the Issuer in which is entered the names and addresses of MTN Holders, the amount of MTNs held by each MTN Holder and the Tranche, Series and date of issue and transfer of those MTNs, and any other particulars which the Issuer sees fit.

**Nominal Amount** has the meaning given in Schedule A.

**Nominated Purchaser** means, subject to Condition 6.8(c), one or more third parties selected by the Issuer in its absolute discretion.

**Non-Representative** means, in respect of an Applicable Benchmark Rate, that the Supervisor of that Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate:

- (a) has determined that such Applicable Benchmark Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark Rate is intended to measure and that representativeness will not be restored; and
- (b) is aware that such determination will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such Supervisor (howsoever described) in contracts.

**Non-Viability Determination** means a determination made pursuant to paragraph (a) or paragraph (b) of the definition Non-Viability Trigger Event (as applicable).

**Non-Viability Trigger Event** has the meaning given in Condition 6A.2.

**Optional Interest Payment Date** means, in respect of a Subordinated MTN, an Interest Payment Date where:

- (a) on or before that date:
  - (i) APRA requests the Issuer, the Group or a Regulated Subsidiary to restore or improve any applicable minimum or notional margin of solvency or capital adequacy levels; and
  - (ii) no interest payments have been made on Junior Ranking Securities and no dividends have been paid to shareholders since the date of that request; or
- (b) no interest payments have been made on Equal Ranking Securities (other than an Equal Ranking Security in the case where the terms of that security do not enable the Issuer to defer, pass on or eliminate the relevant payment on such Equal Ranking Securities) or Junior Ranking Securities, in each case during the Financial Year in which such Interest Payment Date falls, and no other dividends or other distributions

have been paid to shareholders of the Issuer during the Financial Year in which such Interest Payment Date falls.

**Ordinary Share** means a fully paid ordinary share in the capital of the Issuer.

**Outstanding** means on any day all MTNs issued, less those MTNs:

- (a) which have been redeemed or satisfied or Converted or Written-Off in full by the Issuer; or
- (b) in respect of which an MTN Holder is unable to make a claim as a result of the operation of Condition 11.

**Outstanding Principal Amount** means, in respect of any MTN which is Outstanding at any time, the Denomination of the MTN less the aggregate of any part of the principal amount of that MTN that has been paid or otherwise satisfied by the Issuer and for such purposes:

- (a) the premium of an MTN to be redeemed at a premium is to be taken to be added to the principal amount;
- (b) the principal amount of an MTN issued at a discount is to be taken as at any time to equal its Denomination or, if provided for in its terms and conditions, its Amortised Face Amount at that time;
- (c) the principal amount of a partly paid MTN is to be taken to equal its outstanding principal amount;
- (d) if an MTN is repayable in instalments, the Outstanding Principal Amount at any time is to be taken to be Denomination of the MTN less the aggregate of each instalment repaid as at that time, to the extent that the instalment relates to a payment of principal; and
- (e) if an amount is required to be determined in Australian Dollars, the Australian Dollar equivalent of an MTN denominated in an Alternate Currency is to be determined on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of the relevant Alternate Currency in the Sydney foreign exchange market quoted by any leading bank selected by the Issuer on the relevant calculation date. The calculation date is, at the discretion of the Issuer, either the date of the relevant Pricing Supplement for such MTNs or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney or such other date as may be agreed between the Issuer and the Programme Manager or Dealer; and
- (f) in respect of any Subordinated MTNs at any time, the Denomination of the Subordinated MTN.

**Payment Date** means, in respect of an MTN, an Interest Payment Date, the Maturity Date or other relevant payment date (including an early payment date).

**Payment Default** means, either:

- (a) **(failure to pay principal)** the Issuer does not pay any principal or Early Termination Amount due in respect of the Subordinated MTNs within 7 days of its due date; or
- (b) **(failure to pay interest or other amounts)** the Issuer does not pay any interest or other amount due in respect of the Subordinated MTNs within 30 days of its due date.

**Permanent Discontinuation Trigger** means, in respect of an Applicable Benchmark Rate:

- (a) a public statement or publication of information by or on behalf of the Administrator of the Applicable Benchmark Rate announcing that it has ceased or that it will cease to



provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

- (b) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate, the Reserve Bank of Australia (or any successor central bank for Australian dollars), an insolvency official or resolution authority with jurisdiction over the Administrator of the Applicable Benchmark Rate or a court or an entity with similar insolvency or resolution authority over the Administrator of the Applicable Benchmark Rate which states that the Administrator of the Applicable Benchmark Rate has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate and a public statement or publication of information other than by the Supervisor, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;
- (c) a public statement by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate, as a consequence of which the Applicable Benchmark Rate will be prohibited from being used either generally, or in respect of the MTNs, or that its use will be subject to restrictions or adverse consequences to the Issuer or an MTN Holder;
- (d) as a consequence of a change in law or directive arising after the Issue Date of the first Tranche of MTNs of a Series, it has become unlawful for the Calculation Agent, the Issuer or any other party responsible for calculations of interest under the Conditions to calculate any payments due to be made to any MTN Holder using the Applicable Benchmark Rate;
- (e) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate, stating that the Applicable Benchmark Rate is Non-Representative; or
- (f) the Applicable Benchmark Rate has otherwise ceased to exist or be administered on a permanent or indefinite basis.

**Permanent Fallback Effective Date** means, in respect of a Permanent Discontinuation Trigger for an Applicable Benchmark Rate:

- (a) in the case of paragraphs (a) and (b) of the definition of “Permanent Discontinuation Trigger”, the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is no longer published or provided;
- (b) in the case of paragraphs (c) and (d) of the definition of “Permanent Discontinuation Trigger”, the date from which use of the Applicable Benchmark Rate is prohibited or becomes subject to restrictions or adverse consequences or the calculation becomes unlawful (as applicable);
- (c) in the case of paragraph (e) of the definition of “Permanent Discontinuation Trigger”, the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided but is Non-Representative by reference to the most recent statement or publication contemplated in that paragraph and even if such Applicable Benchmark Rates continues to be published or provided on such date; or

- (d) in the case of paragraph (f) of the definition of “Permanent Discontinuation Trigger”, the date that event occurs.

**Pricing Supplement** means the Pricing Supplement prepared and issued in relation to each Tranche of MTNs which has been confirmed in writing by the Issuer and which is in or substantially in the form of Schedule 6 of the Dealer Agreement.

**Programme** means the Issuer’s uncommitted revolving debt issuance programme for the issuance of debt instruments as described in the Information Memorandum.

**Programme Documents** means each of the MTN Deed Poll, each MTN, each Pricing Supplement, each Registry Services Agreement, each Agency Agreement and any other instrument specified as such in a Pricing Supplement.

**Programme Manager** means the person appointed by the Issuer from time to time as an administration manager of the Programme (if any) and who has consented to act as Programme Manager. Any reference in these Conditions to a Programme Manager only applies while a Programme Manager is appointed to the Programme or in respect of the MTNs. For the avoidance of doubt, when a Programme Manager is not appointed, any requirement of an agreement or consent of, provision of a notice or other document to, or consultation with the Programme Manager shall not apply.

**Publication Time** means:

- (a) in respect of the BBSW Rate, 12.00noon (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for the BBSW Rate in its benchmark methodology; and
- (b) in respect of AONIA, 4.00pm (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for AONIA in its benchmark methodology.

**Purchase Price** means, in respect of an MTN, the purchase price so specified in the relevant Pricing Supplement.

**RBA Recommended Fallback Rate** has the same meaning given to AONIA Rate but with necessary adjustments to substitute all references to AONIA with corresponding references to the RBA Recommended Rate.

**RBA Recommended Rate** means, in respect of any relevant day (including any day “i”), the rate (inclusive of any spreads or adjustments) recommended as the replacement for AONIA by the Reserve Bank of Australia (which rate may be produced by the Reserve Bank of Australia or another administrator) and as provided by the Administrator of that rate or, if that rate is not provided by the Administrator thereof, published by an authorised distributor in respect of that day.

**Record Date** means, in the case of payments of interest, principal or the Resale Price, the eighth calendar day before the relevant date for payment or such date that may be specified in the relevant Pricing Supplement.

**Register** means each of the register of Subordinated MTN Holders and the register of members of the Issuer maintained by or on behalf of the Issuer as the case may be.

**Registrar** means in relation to MTNs, Computershare Investor Services Pty Limited (ABN 48 078 279 277) or such other person appointed by the Issuer pursuant to the Registry Services Agreement to establish and maintain the MTN Register for such MTNs on the Issuer’s behalf from time to time.

**Registry Services Agreement** means each agreement entered into between the Issuer and a Registrar and any replacement of it and includes, for the avoidance of doubt, the agreement

entitled "Registrar and Paying Agency Services Agreement" dated 28 February 2014, between, amongst others, the Issuer and Computershare Investor Services Pty Limited and any replacement of it.

**Regulated Subsidiary** means any entity engaged in the insurance business and regulated as such by APRA, in which the Issuer directly or indirectly holds 20% or more of the voting rights or share capital.

**Regulatory Capital** means a Tier 1 Capital Security of the Issuer or a Tier 2 Capital Security of the Issuer.

**Regulatory Event** means the Issuer determines, having received:

- (a) an opinion from a reputable legal counsel that as a result of any amendment to, clarification of or change (including any announcement of a change that has been or will be introduced) in, any law or regulation of the Commonwealth of Australia (including prudential standards), or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, which amendment, clarification or change is effective, or pronouncement, action or decision is announced, after the Issue Date; or
- (b) a statement in writing from APRA after the Issue Date,

that, in each case, the Issuer is not or will not be entitled to treat all Subordinated MTNs of a Series in full as Tier 2 Capital of the IAG Level 2 Insurance Group, provided that, in each case, on the Issue Date, the Issuer did not expect that matters giving rise to the Regulatory Event would occur.

**Regulatory Intervention** means:

- (a) with respect to the Issuer, the Group or a Regulated Subsidiary, a request is received from APRA to restore or improve any applicable minimum or notional margin of solvency or capital adequacy levels;
- (b) if:
  - (i) prior to any date on which a payment in respect of interest on the Subordinated MTNs is due; or
  - (ii) on any date on which a payment in respect of interest on the Subordinated MTNs is due,

the Issuer, the Group or a Regulated Subsidiary has failed (or in the case of paragraph (b)(ii) above is reasonably likely to fail immediately after such payment) to meet its applicable minimum or notional margin of solvency or capital adequacy levels as at the later of:

- (A) the date of the most recent audited accounts of the Issuer, the Group or, as the case may be, a Regulated Subsidiary; or
- (B) the date such capital adequacy levels were most recently tested for regulatory purposes; or
- (C) any date selected by the board of directors (or other management body) of the Issuer, the Group or, as the case may be, a Regulated Subsidiary, falling on or prior to the date on which a payment in respect of interest on the Subordinated MTNs is, or would otherwise be due.

A Regulatory Intervention is deemed to be continuing until such date as, in the case of paragraph (a) above, the relevant margins of solvency or capital adequacy levels have been

restored or improved to the satisfaction of APRA or the request is otherwise withdrawn or addressed to the satisfaction of APRA, and, in the case of paragraph (b) above, the first date on which the Issuer, the Group or a Regulated Subsidiary (as applicable), meets its applicable minimum or notional margin of solvency or, as the case may be, its capital adequacy levels, in all cases as determined and certified to this effect by two directors of the Issuer.

**Related Body Corporate** of a person means a body corporate that is related to that person by virtue of section 50 of the Corporations Act.

**Related Entity** has the meaning given by APRA from time to time.

**Relevant Date** means the date on which a payment in respect of the MTNs first becomes due, except that if the full amount payable has not been received by the Registrar on or before the due date, it means the date on which, the full amount having been so received, notice to that effect is given to the MTN Holders in accordance with Condition 12.

**Relevant Financial Centre** means the city specified as such in the Pricing Supplement or, if none, the city most closely connected with the Benchmark Rate in the determination of the Calculation Agent.

**Relevant Fraction** means:

- (a) with respect to Conversion required after the occurrence of a Non-Viability Trigger Event, 0.2; and
- (b) with respect to a Holder Conversion, a fraction specified in the applicable Pricing Supplement.

**Relevant Screen Page** has the meaning specified as such in the Pricing Supplement.

**Relevant Securities** means each of the:

- (a) Relevant Tier 1 Securities; and
- (b) Relevant Tier 2 Securities.

**Relevant Senior MTN** has the meaning given in Condition 17.1.

**Relevant Tier 1 Security** means a Tier 1 Capital Security that, in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written-off upon the occurrence of a Non-Viability Trigger Event and includes, for so long as they are on issue, the \$500,000,000 perpetual capital notes issued by the Issuer on 22 December 2022.

**Relevant Tier 2 Security** means a Tier 2 Capital Security that, in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written-off upon the occurrence of a Non-Viability Trigger Event and includes, for so long as they are on issue:

- (a) the \$350,000,000 subordinated medium term notes due 2044 issued by the Issuer on 29 March 2018;
- (b) the \$450,000,000 subordinated medium term notes due June 2045 issued by the Issuer on 28 March 2019;
- (c) the \$450,000,000 subordinated medium term notes due December 2036 issued by the Issuer on 24 August 2020; and
- (d) the NZD400,000,000 unsecured subordinated convertible notes due 2038 issued by the Issuer on 5 April 2022.

**Resale** means, in relation to an MTN, the transfer of rights in accordance with Condition 6.8 with respect to that MTN, and **Resold** and **Resell** have corresponding meanings.

**Resale Date** means the date on which an MTN is to be Resold as specified in the Resale Notice or if that day is not a Business Day, the following Business Day.

**Resale Notice** means a notice to Resell MTNs of a Series provided in accordance with Condition 6.4.

**Resale Price** means, in relation to an MTN, an amount equal to the Outstanding Principal Amount of that MTN.

**Senior Creditor** has the meaning given in Condition 4.8.

**Senior MTN** means an MTN which is not a Subordinated MTN.

**Senior MTN Holder** means an MTN Holder holding a Senior MTN.

**Series** means a Tranche or Tranches of MTNs which have identical terms, except that:

- (a) the Issue Date and the amount of the first payment of interest may be different in respect of different Tranches of a Series; and
- (b) a Series may comprise MTNs in more than one denomination.

The Issuer is taken to be "**Solvent**" if:

- (a) it is able to pay its debts as they fall due; and
- (b) its Assets exceed its Liabilities.

**Subordinated MTN** means an MTN which is specified in a Pricing Supplement as being a Subordinated MTN.

**Subordinated MTN Holder** means an MTN Holder holding a Subordinated MTN.

**Subsidiary** of an entity means:

- (a) another entity which is a subsidiary of the first within the meaning of Part 1.2 Division 6 of the Corporations Act; or
- (b) another entity which is a subsidiary of or otherwise controlled by the first within the meaning of any applicable approved accounting standard.

**Substitute Issuer** has the meaning given in Condition 17.1.

**Supervisor** means, in respect of an Applicable Benchmark Rate, the supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate, or any committee officially endorsed or convened by any such supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate.

**Supervisor Recommended Rate** means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Supervisor of the BBSW Rate.

**Tax Act** means:

- (a) the Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth) as the case may be and a reference to any section of the Income Tax

Assessment Act 1936 (Cth) includes a reference to that section as rewritten in the Income Tax Assessment Act 1997 (Cth); and

- (b) any other Act setting the rate of income tax payable and any regulation promulgated under it.

**Tax Event** has the meaning given in Condition 6.3.

**Taxes** means taxes, levies, imposts, deductions, charges or withholdings and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties and expenses in connection with them.

**Temporary Disruption Trigger** means, in respect of any Applicable Benchmark Rate which is required for any determination:

- (a) the Applicable Benchmark Rate has not been published by the applicable Administrator or an authorised distributor and is not otherwise provided by the Administrator, in respect of, on, for or by the time and date on which that Applicable Benchmark Rate is required; or
- (b) the Applicable Benchmark Rate is published or provided but the Calculation Agent determines that there is an obvious or proven error in that rate.

**Tier 1 Capital** means Tier 1 capital (as defined by APRA from time to time).

**Tier 1 Capital Security** means a share, note or other security or instrument constituting Tier 1 Capital of the IAG Level 2 Insurance Group.

**Tier 2 Capital** means Tier 2 capital (as defined by APRA from time to time).

**Tier 2 Capital Security** means a share, note or other security or instrument constituting Tier 2 Capital of the IAG Level 2 Insurance Group.

**Tranche** means MTNs which are issued on the same Issue Date and the terms of which are identical in all respects (except that a Tranche may comprise MTNs in more than one denomination).

**Trigger Event Date** shall mean the date on which APRA notifies the Issuer of a Non-Viability Trigger Event as contemplated in Condition 6A.2.

**Trigger Event Notice** has the meaning given to it in Condition 6A.3.

**VWAP** means, subject to any adjustments under Schedule A, the average of the daily volume weighted average sale prices (such average being rounded to the nearest full cent) of Ordinary Shares sold on the Australian Securities Exchange during the VWAP Period or on the relevant days and where the currency of the Nominal Amount in respect of the Subordinated MTN is not Australian Dollars, with each such daily price converted into the Alternate Currency on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of the relevant Alternate Currency in the Sydney foreign exchange market quoted by any leading bank selected by the Issuer on the relevant calculation date but does not include any "Crossing" transacted outside the "Open Session State" or any "Special Crossing" transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares.

**VWAP Period** means the number of days specified in the applicable Pricing Supplement on which trading in Ordinary Shares took place immediately preceding (but not including) the Trigger Event Date or the Holder Conversion Date (as applicable).

**Winding Up** has the meaning given to that term in Condition 4.8.

**Winding Up Default** means a Winding Up occurs in Australia other than for the purposes of a consolidation, amalgamation, merger or reconstruction (the terms of which have been approved by the shareholders of the Issuer or by a court of competent jurisdiction) under which the continuing or resulting corporation effectively assumes the entire obligations of the Issuer under the Subordinated MTNs and such Winding Up is not successfully appealed or permanently stayed within 30 days.

**Written-Off:**

- (a) for the purposes of Condition 6B, has the meaning given to it in Condition 6B.5; and
- (b) for the purposes of Conditions 6C, has the meaning given to it in Condition 6C.2.

**Zero Coupon MTN** means an MTN that does not bear interest. A Subordinated MTN cannot be a Zero Coupon MTN.

## 1.2 Interpretation

In these Conditions unless the contrary intention appears:

- (a) a reference to these Conditions is a reference to these Conditions as varied, supplemented or replaced by the Pricing Supplement;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) the singular includes the plural and vice versa;
- (d) the word "person" includes a firm, body corporate, an unincorporated association or an authority;
- (e) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (f) a reference to any thing (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively and to each of them individually;
- (g) a reference to an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act or, if not in connection with those standards, in accounting principles and practices generally accepted in Australia;
- (h) any provisions which refer to the requirements of APRA or any other prudential regulatory requirements will apply to the Issuer only if the Issuer is an entity, or the holding company of an entity, subject to regulation and supervision by APRA at the relevant time;
- (i) any provisions which require APRA's consent or approval will apply only if APRA requires that such consent or approval be given at the relevant time;
- (j) any provisions in these Conditions requiring the prior approval of APRA for a particular course of action to be taken by the Issuer do not imply that APRA has given its consent or approval to the particular action as of the Issue Date of the applicable MTN;
- (k) a reference to any term defined by APRA (including, without limitation, "Additional Tier 1 Capital", "Level 1", "Level 2", "Related Entity", "Tier 1 Capital" and "Tier 2 Capital") shall, if that term is replaced or superseded in any of APRA's applicable prudential

regulatory requirements or standards, be taken to be a reference to the replacement or equivalent term;

- (l) for the avoidance of doubt, if Conversion under Condition 6B or Write-Off under Condition 6C of Subordinated MTNs is to occur on a Trigger Event Date, then that Conversion or Write-Off must occur on that date notwithstanding that it may not be a Business Day;
- (m) a reference to a term defined by the ASX Listing Rules, the ASX Settlement Operating Rules or the ASX Operating Rules shall, if that term is replaced in those rules, be taken to be a reference to the replacement term; and
- (n) in respect of Ordinary Shares, if the principal securities exchange on which the Ordinary Shares are listed becomes other than the Australian Securities Exchange, unless the context otherwise requires, a reference to the Australian Securities Exchange shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, the ASX Settlement Operating Rules, the ASX Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be).

### **1.3 Headings**

Headings are inserted for convenience and do not affect the interpretation of these Conditions.

## **2 Form, denomination and title**

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### **2.1 Constitution under MTN Deed Poll**

The MTNs are registered debt obligations of the Issuer constituted by, and owing under, the MTN Deed Poll and take the form of entries in the MTN Register. Each entry in the MTN Register constitutes a separate and individual acknowledgment to the relevant MTN Holder of the indebtedness of the Issuer to the relevant MTN Holder.

### **2.2 Independent obligations**

The obligations of the Issuer in respect of each MTN constitute separate and independent obligations which the MTN Holder to whom those obligations are owed is entitled to enforce without having to join any other MTN Holder or any predecessor in title of an MTN Holder.

### **2.3 Currency and denomination**

MTNs may be denominated in Australian Dollars or an Alternate Currency specified in the Pricing Supplement.

### **2.4 Issue restrictions**

Unless otherwise specified in the Pricing Supplement, MTNs may only be issued:

- (a) in the denomination of A\$10,000 (or an approximate equivalent in an Alternate Currency); and
- (b) if the consideration payable is a minimum of A\$500,000 (or the equivalent in an Alternate Currency) (disregarding any moneys lent by the Issuer or its associates) or the offer or invitation does not otherwise require disclosure to investors under Part 6D.2 of the Corporations Act.



## **2.5 MTN Register conclusive**

Entries in the MTN Register in relation to an MTN constitute conclusive evidence that the person so entered is the registered holder of the MTN subject to rectification for fraud or error. No MTN will be registered in the name of more than four persons. An MTN registered in the name of more than one person is held by those persons as joint tenants. MTNs will be registered by name only without reference to any trusteeship. The person registered in the MTN Register as an MTN Holder will be treated by the Issuer and the Registrar as absolute owner of that MTN and neither the Issuer nor the Registrar is, except as ordered by a court or as required by statute, obliged to take notice of any other claim to an MTN.

## **2.6 Holder absolutely entitled**

Upon a person acquiring title to any MTN by virtue of becoming an MTN Holder in respect of that MTN, all rights and entitlements arising by virtue of the MTN Deed Poll in respect of that MTN vest absolutely in the MTN Holder, such that no person who has previously been the MTN Holder in respect of that MTN has or is entitled to assert against the Issuer or the Registrar or the MTN Holder for the time being and from time to time any rights, benefits or entitlements in respect of the MTN.

## **2.7 Location of MTN Register**

Each MTN Register will be established and maintained in New South Wales unless otherwise agreed with the Registrar.

## **2.8 Certificates**

No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to an MTN unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

## **2.9 Acknowledgement**

Where a Clearing System (or a common depository for more than one Clearing System) (each a “**relevant person**”) is recorded in an MTN Register as the MTN Holder, each person in whose account that MTN is recorded is deemed to acknowledge in favour of the Registrar and each relevant person that:

- (a) the Registrar’s decision to act as the Registrar of the MTN does not constitute a recommendation or endorsement by the Registrar or the relevant person in relation to the MTN but only indicates that such MTN is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the MTN; and
- (b) the MTN Holder does not rely on any fact, matter or circumstance contrary to Condition 2.9(a).

# **3 Transfers**

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## **3.1 Limit on transfer**

MTNs may only be transferred in whole. Unless otherwise specified in the Pricing Supplement, MTNs may only be transferred:

- (a) if the consideration payable at the time of transfer is a minimum amount of A\$500,000 (or the equivalent in an Alternate Currency) (disregarding any moneys lent by the transferor or its associates) or if the offer or invitation does not otherwise require disclosure to investors under Part 6D.2 of the Corporations Act; and

- (b) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

### **3.2 Transfer procedures**

Unless MTNs are lodged in a Clearing System, application for the transfer of MTNs must be made by the lodgement of a transfer form with the Registrar. Transfer forms are available from the Registrar. Each form must be accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the MTN and be signed by both the transferor and the transferee.

MTNs entered in a Clearing System will be transferable only in accordance with the rules and regulations of that Clearing System.

### **3.3 Registration of transfer**

The transferor of an MTN is deemed to remain the holder of that MTN until the name of the transferee is entered in the MTN Register in respect of that MTN.

### **3.4 No charge on transfer**

Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid.

### **3.5 Estates**

A person becoming entitled to an MTN as a consequence of the death or bankruptcy of an MTN Holder or of a vesting order or a person administering the estate of an MTN Holder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the MTN or, if so entitled, become registered as the MTN Holder in respect of that MTN.

### **3.6 Unincorporated associations**

A transfer to an unincorporated association is not permitted.

### **3.7 Transfer of unidentified MTNs**

Where the transferor executes a transfer of less than all MTNs of the relevant Tranche or Series registered in its name, and the specific MTNs to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the MTNs of the relevant Tranche or Series registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the MTNs registered as having been transferred equals the aggregate principal amount of the MTNs expressed to be transferred in the transfer.

### **3.8 Australian Securities Exchange Listing**

MTNs which are listed on the Australian Securities Exchange will not be transferred through or registered on CHESS and will not be "CHESS approved securities". In the event that an interface between the MTN Register maintained by the Registrar and CHESS is established the Programme Documents may be amended to facilitate settlement on CHESS and so that the MTNs will become "CHESS approved securities".

## **4 Status**

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### **4.1 Status - Senior MTNs**

Senior MTNs are direct, unsubordinated and unsecured obligations of the Issuer and rank at least equally with all other unsecured and unsubordinated obligations of the Issuer except liabilities mandatorily preferred by law.

#### **4.2 Status - Subordinated MTNs**

Subordinated MTNs constitute direct, subordinated and unsecured obligations of the Issuer and rank:

- (a) ahead of the claims of holders of Junior Ranking Creditors;
- (b) equally among themselves and with the claims of holders of Equal Ranking Securities; and
- (c) behind all claims of Senior Creditors and all liabilities mandatorily preferred by law.

#### **4.3 Winding Up**

In a winding up of the Issuer, a Subordinated MTN Holder's claim for an amount owing by the Issuer in connection with a Subordinated MTN is subordinated to the claims of Senior Creditors, in that:

- (a) all claims of Senior Creditors must be paid in full before the Subordinated MTN Holder's claim is paid; and
- (b) the Subordinated MTN Holder must not claim in the winding up in competition with the Senior Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Creditors would have been entitled to receive.

#### **4.4 No set-off**

A Subordinated MTN Holder does not have any right to set-off any amounts owing to it by the Issuer in respect of Subordinated MTNs against any amount owing by it to the Issuer in connection with the Subordinated MTNs or otherwise.

The Issuer does not have any right to set-off any amounts owing to it by a Subordinated MTN Holder in respect of Subordinated MTNs against any amount owing by it to the Subordinated MTN Holder in connection with the Subordinated MTNs or otherwise.

#### **4.5 Restriction on variation of Conditions**

The Issuer must not vary the Conditions of any Subordinated MTNs other than in accordance with Condition 14 and provided that the Issuer has obtained the prior written approval of APRA if the variation may in any way affect the eligibility of the Subordinated MTN as Tier 2 Capital of the IAG Level 2 Insurance Group.

#### **4.6 Consequences of an Event of Default**

If an Event of Default occurs in relation to the Subordinated MTNs of any Series as set out in Condition 8.3, then Condition 8.4 will apply.

#### 4.7 Acknowledgements by Subordinated MTN Holder

Each Subordinated MTN Holder irrevocably acknowledges and agrees that:

- (a) Condition 4 is a debt subordination for the purposes of section 563C of the Corporations Act;
- (b) it must not exercise its voting rights as an unsecured creditor in the Winding Up or administration of the Issuer to defeat the subordination in Condition 4;
- (c) the debt subordination effected by Condition 4 is not affected by any act or omission of the Issuer or a Senior Creditor which might otherwise affect it at law or in equity;
- (d) it must pay or deliver to the liquidator any amount or asset received on account of its claim in the Winding Up of the Issuer in connection with a Subordinated MTN in excess of its entitlement under Condition 4.3;
- (e) there is no limit on the amount of debt or other obligations which rank equally with or ahead of the Subordinated MTNs that may be incurred or assumed by the Issuer; and
- (f) nothing in Condition 14.2 shall be taken to require the consent of any Senior Creditor to any amendment of Condition 4.

#### 4.8 Definitions

- (a) **“Senior Creditor”** means all present and future creditors of the Issuer, including policy holders, other than creditors in respect of Equal Ranking Securities or Junior Ranking Creditors.
- (b) **“Winding Up”** means:
  - (i) a final court order is made for the winding up, dissolution or liquidation of the Issuer; or
  - (ii) a final and effective resolution is passed by shareholders or member for the winding up, dissolution or liquidation of the Issuer.

#### 4.9 No guarantee

An MTN is not a policy liability of any member of the Group for the purposes of the Insurance Act 1973 (Cth), is not a protected policy for the purposes of the financial claims scheme established under Part V of the Insurance Act 1973 (Cth) and is not guaranteed or insured by any government, Government Agency or compensation scheme of Australia or any other jurisdiction or by any other person.

## 5 Interest

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### 5.1 General

MTNs may be either interest-bearing or non interest-bearing, as specified in the relevant Pricing Supplement. Interest-bearing MTNs may bear interest at a fixed rate and/or a floating rate. In relation to any Tranche of MTNs, the relevant Pricing Supplement may specify actual amounts of interest payable ("**Interest Amounts**") rather than, or in addition to, a rate or rates at which interest accrues.

The Pricing Supplement in relation to each Tranche of interest-bearing MTNs will specify which of Conditions 5.2, 5.3 and 5.4 will be applicable to the MTNs. Condition 5.5 will be applicable to each Tranche of interest-bearing MTNs save to the extent of any inconsistency with the relevant Pricing Supplement.

### 5.2 Interest - fixed rate

Each MTN in relation to which this Condition 5.2 is specified in the relevant Pricing Supplement as being applicable ("**Fixed Rate MTNs**") will bear interest on its Outstanding Principal Amount at the fixed coupon rate or the fixed rate or rates per annum specified in the relevant Pricing Supplement from the Issue Date of the MTNs. Interest will be payable in arrears on the Interest Payment Dates specified in the relevant Pricing Supplement.

Interest which is required to be calculated for a period of other than a full year will be calculated on such basis as is specified as the Day Count Fraction in the relevant Pricing Supplement.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount (as defined in the Pricing Supplement).

If the Maturity Date is not an Interest Payment Date, interest (including interest on any Arrears of Interest) from (and including) the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount (as specified in the Pricing Supplement).

### 5.3 Interest - floating rate

#### (a) *Accrual of interest*

MTNs in relation to which this Condition 5.3 is specified in the relevant Pricing Supplement as being applicable ("**Floating Rate MTNs**") will bear interest in respect of each Interest Period at the rate or rates per annum determined in accordance with this Condition 5.3.

Each Floating Rate MTN will bear interest on its Outstanding Principal Amount at the Interest Rate (as defined below) from the Interest Commencement Date. Interest will be payable in arrears on each Interest Payment Date. If any Interest Payment Date in respect of a Floating Rate MTN would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be determined in accordance with the Business Day Convention specified in the Pricing Supplement.

#### (b) *Interest Rate*

The Interest Rate payable in respect of Floating Rate MTNs shall be determined by the Calculation Agent on the basis of sub-paragraph (i) or (ii) below, as specified in the relevant Pricing Supplement.

(i) *ISDA Determination for Floating Rate MTNs*

Where “ISDA Determination” is specified in the applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period is the relevant ISDA Rate (as defined below) plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

For the purposes of this sub-paragraph (i), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent for the MTNs under an interest rate swap transaction if the Calculation Agent for the MTNs were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions (as defined below) and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is as specified in the applicable Pricing Supplement; and
- (D) each Period End Date is an Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction.

For the purposes of this sub-paragraph (i), “**Floating Rate**”, “**Calculation Agent**” (except references to “**Calculation Agent for the MTNs**”), “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**”, “**Period End Date**”, “**Spread**” and “**Floating Rate Day Count Fraction**” have the meanings given to those terms in the 2000 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the MTNs, published by the International Swaps and Derivatives Association, Inc. (“**ISDA Definitions**”).

(ii) *BBSW Determination for Floating Rate MTNs*

- (A) Where BBSW Rate Determination or AONIA Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined for each Interest Period, the Interest Rate applicable to the Floating Rate MTNs for each such Interest Period is the sum of the Margin and either (aa) the BBSW Rate or (ab) the AONIA Rate as specified in the relevant Pricing Supplement.
- (B) Each MTN Holder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, the determination of, substitution for and any adjustments made to the BBSW Rate or the AONIA Rate, as applicable, in each case as described in this Condition 5.3(b)(ii) and in Condition 5.3(d) below (in all cases without the need for any MTN Holder consent). Any determination, decision or election (including a decision to take or refrain from taking any action or as to the occurrence or non-occurrence of any event or circumstance), and any substitution for and adjustments made to, the BBSW Rate or the AONIA Rate, as applicable, and in each case made in accordance with this Condition 5.3(b)(ii) and Condition 5.3(d), will, in the absence of manifest or proven error, be conclusive and binding on the Issuer, the MTN Holder and each Agent and, notwithstanding anything to the contrary in these Conditions or other

documentation relating to the MTNs, shall become effective without the consent of any person.

- (C) If the Calculation Agent is unwilling or unable to determine a necessary rate, adjustment, quantum, formula, methodology or other variable in order to calculate the applicable Interest Rate, such rate, adjustment, quantum, formula, methodology or other variable will be determined by the Issuer (acting in good faith and in a commercially reasonable manner) or, an alternate financial institution (acting in good faith and in a commercially reasonable manner) appointed by the Issuer (in its sole discretion) to so determine.
- (D) All rates determined pursuant to this Condition 5.3(b)(ii) shall be expressed as a percentage rate per annum and the resulting percentage will be rounded if necessary to the fourth decimal place (i.e., to the nearest one ten-thousandth of a percentage point) with 0.00005 being rounded upwards.

(iii) *Minimum Interest Rate and/or Maximum Interest Rate - Senior MTNs*

If the applicable Pricing Supplement for a series of Senior MTNs specifies a Minimum Interest Rate for any Interest Period then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the other provisions of this Condition 5.3(b) is less than such Minimum Interest Rate, the Interest Rate for such Interest Period shall be such Minimum Interest Rate.

If the applicable Pricing Supplement for a series of Senior MTNs specifies a Maximum Interest Rate for any Interest Period then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the other provisions of this Condition 5.3(b) is greater than such Maximum Interest Rate, the Interest Rate for such Interest Period shall be such Maximum Interest Rate.

(iv) *Fallback Interest Rate – ISDA Determination*

Where “ISDA Determination” is specified in the applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, unless otherwise specified in the relevant Pricing Supplement, if, during the Interest Period, the Calculation Agent is unable to, or does not, determine a rate in accordance with the above provisions, the Interest Rate applicable to the MTNs during that Interest Period will be the Interest Rate applicable to the MTNs during the immediately preceding Interest Period (with, in the case of Senior MTNs, adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate).

(v) *Rounding*

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified):

- (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
- (B) all figures shall be rounded to five significant figures (with halves being rounded up); and
- (C) all amounts that fall due and payable shall be rounded to the nearest cent (with halves being rounded up).

(c) *Calculation of interest amount payable*

The Calculation Agent will, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of the Outstanding Principal Amount of each MTN. The amount of interest payable will be calculated by multiplying the product of the Interest Rate for such Interest Period and the Outstanding Principal Amount by the applicable Day Count Fraction and rounding the resultant figure to the nearest cent (with halves being rounded upwards).

(d) *Benchmark Rate fallback*

If “BBSW Rate Determination” or “AONIA Rate Determination” is specified in the relevant Pricing Supplement, and if:

- (i) a Temporary Disruption Trigger has occurred; or
- (ii) a Permanent Discontinuation Trigger has occurred,

then, subject to APRA’s prior written approval in the case of Subordinated MTNs, the Benchmark Rate for an Interest Period, whilst such Temporary Disruption Trigger is continuing or after a Permanent Discontinuation Trigger has occurred, means (in the following order of application and precedence):

- (A) where BBSW Rate is the Applicable Benchmark Rate, if a Temporary Disruption Trigger has occurred with respect to the BBSW Rate, in the following order of precedence:
  - (aa) first, the Administrator Recommended Rate;
  - (ab) then the Supervisor Recommended Rate; and
  - (ac) lastly, the Final Fallback Rate;
- (B) where AONIA is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (i) above, if a Temporary Disruption Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required will be the last provided or published level of AONIA;
- (C) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (i) or (ii) above, if a Temporary Disruption Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required will be the last rate provided or published by the Administrator of the RBA Recommended Rate (or if no such rate has been so provided or published, the last provided or published level of AONIA);
- (D) where BBSW Rate is the Applicable Benchmark Rate, if a Permanent Discontinuation Trigger has occurred with respect to the BBSW Rate, the rate for any day for which the BBSW Rate is required on or after the Permanent Fallback Effective Date will be the first rate available in the following order of precedence:
  - (aa) first, if at the time of the BBSW Rate Permanent Fallback Effective Date, no AONIA Permanent Fallback Effective Date has occurred, the AONIA Rate;



- (ab) then, if at the time of the BBSW Rate Permanent Fallback Effective Date, an AONIA Permanent Fallback Effective Date has occurred, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Fallback Rate; and
  - (ac) lastly, if neither paragraph (A) nor paragraph (B) above apply, the Final Fallback Rate;
- (E) where AONIA is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (iv)(A) above, if a Permanent Discontinuation Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required on or after the AONIA Permanent Fallback Effective Date will be the first rate available in the following order of precedence:
- (aa) first, if at the time of the AONIA Permanent Fallback Effective Date, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Rate; and
  - (ab) lastly, if paragraph (A) above does not apply, the Final Fallback Rate; and
- (F) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (iv) or (v) above, respectively, if a Permanent Discontinuation Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required on or after that Permanent Fallback Effective Date will be the Final Fallback Rate.

When calculating an amount of interest in circumstances where a Fallback Rate other than the Final Fallback Rate applies, that interest will be calculated as if references to the BBSW Rate or AONIA Rate (as applicable) were references to that Fallback Rate. When calculating interest in circumstances where the Final Fallback Rate applies, the amount of interest will be calculated on the same basis as if the Applicable Benchmark Rate in effect immediately prior to the application of that Final Fallback Rate remained in effect but with necessary adjustments to substitute all references to that Applicable Benchmark Rate with corresponding references to the Final Fallback Rate.

***Subordinated MTN Holders should note that APRA's approval may not be given for any Fallback Rate it considers to have the effect of increasing the Interest Rate contrary to applicable prudential standards.***

#### **5.4 Interest - other rates**

MTNs in relation to which this Condition 5.4 is specified in the relevant Pricing Supplement as being applicable will bear interest at the rate or rates calculated on the basis specified in, and be payable in the amounts and in the manner determined in accordance with, the relevant Pricing Supplement.

#### **5.5 Interest - supplemental provisions**

- (a) *Interest Payment Dates*

Interest on each MTN will be payable in arrear at such intervals and on such Interest Payment Dates as are specified in the relevant Pricing Supplement and on the Maturity Date.

(b) *Notification of Interest Rate, interest payable and other items*

The Calculation Agent will cause each Interest Rate, the amount of interest payable and each other amount, item or date, as the case may be, determined or calculated by it to be notified to the Issuer, the Registrar and any relevant Agent and to be notified to MTN Holders in accordance with Condition 12 as soon as practicable after such determination or calculation but in any event not later than the fourth day (other than a Saturday or Sunday) on which commercial banks are open for business in the Relevant Financial Centre thereafter. The Calculation Agent will be entitled to amend any such amount, item or date (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the previous sentence.

(c) *Determination final*

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it pursuant to these Conditions (including, without limitation, the Interest Rate for any Interest Period and the amount of interest payable for any Interest Period in respect of any MTN) is, in the absence of manifest error, final and binding on the Issuer, each MTN Holder, the Registrar, any Agent and the Calculation Agent.

(d) *Accrual of interest*

Interest accrues on the Outstanding Principal Amount of each MTN or as otherwise indicated in the relevant Pricing Supplement. Interest ceases to accrue as from the due date for redemption of an MTN unless the relevant payment is not made in which case interest will continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the Outstanding Principal Amount of the MTN or, in the case of Senior MTNs, such other default rate (if any) as may be specified in the relevant Pricing Supplement until the date on which the relevant payment is made or, if earlier, the seventh day after the date on which any Agent receives the funds required to make such payment (provided that notice of such circumstance is given to the MTN Holders in accordance with Condition 12) except to the extent that there is failure in the subsequent payment thereof to the relevant MTN Holder.

## **5.6 Zero Coupon MTNs - Senior MTNs**

If the amount due and payable in respect of a Senior MTN which is a Zero Coupon MTN on the redemption date is not paid when due, the Interest Rate for any such overdue principal is a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified in the relevant Pricing Supplement.

## **5.7 Optional deferral of interest (Subordinated MTNs only)**

(a) *Deferral of interest*

In the case of Subordinated MTNs, if this Condition 5.7 is specified in the relevant Pricing Supplement as being applicable then, the Issuer may, on any Optional Interest Payment Date, in the Issuer's absolute discretion defer the payment of interest on the Subordinated MTNs which would otherwise be payable on such date.

The Issuer shall notify the Subordinated MTN Holders (in accordance with Condition 12) as soon as practicable (and in any event within ten Business Days after any Optional Interest Payment Date in respect of which payment is deferred) of (subject

as provided below) any Optional Interest Payment Date on which, pursuant to the provisions of this Condition 5.7 the Issuer elects to defer the payment of interest. Notwithstanding the requirements to give notice pursuant to this Condition 5.7, failure to give such notice shall not prejudice the right of the Issuer not to pay interest pursuant to this Condition 5.7.

(b) *Not default*

Notwithstanding any other provision in these Conditions, any payment which for the time being is not made on the Subordinated MTNs by virtue of Condition 5.7(a) does not constitute a default for any purpose (including, but without limitation, Condition 8) on the part of the Issuer and does not give any Subordinated MTN Holder the right to accelerate repayment of the Subordinated MTNs.

## **5.8 Arrears of Interest - optional and compulsory payments (Subordinated MTNs only)**

Any interest in respect of Subordinated MTNs not paid on an Interest Payment Date by virtue of Condition 5.7(a), together with any other interest in respect of the Subordinated MTNs not paid on any other Interest Payment Date, so long as the same remains unpaid, constitutes “**Arrears of Interest**”.

Any Arrears of Interest may be paid in whole or in part at any time upon the expiry of not less than 14 days’ notice to such effect given by the Issuer to the Subordinated MTN Holders in accordance with Condition 12. All Arrears of Interest (together with all corresponding Additional Interest Amounts) will automatically become immediately due and payable in whole upon the earliest of the following dates:

- (a) the date on which any interest payment or payment in respect of interest is made on any Junior Ranking Securities or Equal Ranking Securities (excluding any such payment on an Equal Ranking Security in a case where the terms of that security do not enable the Issuer to defer, pass on or eliminate the relevant payment on such Equal Ranking Securities) or on which a dividend or other distribution on any class of the Issuer’s share capital is paid or becomes payable;
- (b) the date on which no Regulatory Intervention that has occurred is or will be continuing, unless the Issuer is otherwise entitled to defer at such time under these Conditions;
- (c) the date on which the Issuer commences and does not abandon a public offer to redeem, purchase or acquire any Junior Ranking Securities or Equal Ranking Securities, except in connection with:
  - (i) any employment contract, employee share scheme, performance rights plan, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors or consultants of the Issuer or any of its Controlled Entities; or
  - (ii) a dividend reinvestment plan, bonus option plan, bonus share plan, shareholder share purchase plan or top-up facility, shareholder sale facility or nominee sale facility;
- (d) the date on which a Winding Up Default occurs; or
- (e) the date fixed for any redemption or Resale of Subordinated MTNs or the date fixed for any purchase of Subordinated MTNs by or on behalf of the Issuer pursuant to Condition 6 or Condition 8.4(c).

## **5.9 Additional Interest Amounts (Subordinated MTNs only)**

Interest will accrue on each amount of Arrears of Interest at the Interest Rate from time to time applicable to the Subordinated MTNs, and such amount of interest (the “**Additional Interest Amount**”) will become due and payable pursuant to Condition 5.8 above and, unless otherwise specified in the relevant Pricing Supplement, shall be calculated by the Issuer by applying the Interest Rate applicable to the relevant Subordinated MTNs to the amount of Arrears of Interest.

All Additional Interest Amounts accrue and are payable on the same basis as interest on a Subordinated MTN, subject to deferral on the same basis as interest under Condition 5.7(a).

All Additional Interest Amounts accrued up to any Interest Payment Date and not paid on such Interest Payment Date shall be added, for the purpose only of calculating the Additional Interest Amounts accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date.

## **6 Redemption, Resale and purchase**

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### **6.1 Redemption on maturity**

Unless previously redeemed, Converted, Written-Off or purchased and cancelled or unless such MTN is stated in the Pricing Supplement as having no fixed maturity date, each MTN shall be redeemed on maturity at its Maturity Redemption Amount. A Subordinated MTN may only be redeemed or purchased prior to its stated maturity if:

- (a) such redemption or purchase is on or after the fifth anniversary of the Issue Date of that Subordinated MTN;
- (b) the Issuer has obtained the prior written approval of APRA; and
- (c) the conditions in Condition 6.7 are satisfied.

***Subordinated MTN Holders should not expect that APRA’s approval will be given for any redemption or purchase of the Subordinated MTNs.***

### **6.2 Purchase of MTNs**

MTNs may at any time be purchased in the open market or otherwise and at any price:

- (a) in the case of a Subordinated MTN, by the Issuer or any Related Entity of the Issuer provided the prior written approval of APRA has been obtained and the conditions in Condition 6.7 are satisfied; and
- (b) in the case of Senior MTNs, by the Issuer or any Related Body Corporate of the Issuer at any time.

All unmatured Senior MTNs purchased in accordance with this Condition 6.2 may be held, resold or cancelled at the discretion of the Issuer. All unmatured Subordinated MTNs purchased in accordance with this Condition 6.2 must be cancelled by the Issuer.

Any holding, resale or cancellation is subject to compliance with all legal and regulatory requirements.

For the purposes of the Meetings Provisions, in determining whether the provisions relating to quorum, meeting and voting procedures are complied with, any MTNs held in the name of the Issuer or any Related Body Corporate will be disregarded.

### **6.3 Redemption or Resale for taxation reasons and regulatory reasons**

- (a) *Redemption or Resale for taxation reasons*

If, in respect of the MTNs of any Series:

- (i) the Issuer, on the occasion of the next payment due in respect of the MTNs, would be required to make payment of any Additional Amount (as defined in Condition 9.6);
- (ii) in the case of any Subordinated MTNs only, the Issuer or the consolidated tax group of which it is a member would be exposed to more than a *de minimis* amount of other Taxes, assessments or other governmental charges in connection with any Subordinated MTN of that Series; or
- (iii) in the case of any Subordinated MTNs only, the Issuer determines that any interest payable on any Subordinated MTN of that Series is not, or may not be, allowed as a deduction for the purposes of Australian income tax,

(each a “**Tax Event**”) then the Issuer may, notwithstanding Condition 6.1(a), at any time, on giving not more than 30 nor less than 15 days’ notice to the relevant Registrar, the relevant Agent and the MTN Holders in accordance with Condition 12, and upon expiry of such notice shall redeem or Resell (as specified in such notice) all (but not some only) of the MTNs at their early redemption amount or Resale Price (as relevant) applicable for tax redemptions and Resales (“**Early Redemption or Resale Amount (Tax)**”) (which is their Outstanding Principal Amount or, in the case of Senior MTNs, such other Early Redemption or Resale Amount (Tax) as is specified in the Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon (including, in the case of Subordinated MTNs, any Arrears of Interest and Additional Interest Amounts) provided that, in the case of a Subordinated MTN, on the Issue Date of that Subordinated MTN, the Issuer did not expect that matters giving rise to the Tax Event would occur, the prior written approval of APRA has been obtained and the conditions in Condition 6.7 are satisfied. Each MTN Resold pursuant to this clause 6.3(a) will be Resold in accordance with clause 6.8.

Prior to publication of any such notice of redemption or Resale, the Issuer shall deliver to the Registrar a certificate signed by an authorised person of the Issuer stating that the conditions precedent to the right of the Issuer so to redeem or Resell (as relevant) have occurred and attaching an opinion of legal or tax advisers of recognised standing to the Issuer in its jurisdiction of incorporation to the effect that one or more of the circumstances described in paragraphs (i), (ii) and (iii) of this Condition 6.3(a) exist.

(b) *Redemption or Resale for regulatory reasons (Subordinated MTNs only)*

Unless otherwise specified in the relevant Pricing Supplement, if a Regulatory Event occurs at any time:

- (i) the Issuer may, notwithstanding Condition 6.1(a) (but subject to having obtained the prior written consent of APRA), give not more than 30 nor less than 15 days’ notice to the relevant Registrar, the relevant Agent and the MTN Holders (in accordance with Condition 12) of its intention to redeem or Resell the Subordinated MTNs of a Series to which the Regulatory Event relates; and
- (ii) the Issuer shall, upon expiry of the notice referred to in paragraph (i) above, redeem or Resell (as specified in such notice) all (but not some only) of the Subordinated MTNs of that Series for the amount (“**Early Redemption or Resale Amount (Regulatory)**”) (which is the Outstanding Principal Amount together with accrued interest (if any) thereon (including any Arrears of Interest and Additional Interest Amounts)) provided the prior written approval of APRA has been obtained and the conditions in Condition 6.7 are satisfied.

Each MTN Resold pursuant to this clause 6.3(b) will be Resold in accordance with clause 6.8

Prior to publication of any such notice of redemption or Resale, the Issuer shall deliver to the Registrar a certificate signed by an authorised person of the Issuer showing that the conditions precedent to the right of the Issuer so to redeem or Resell (as relevant) have occurred.

#### **6.4 Early redemption or Resale at the option of the Issuer**

If this Condition 6.4 is specified in the relevant Pricing Supplement as being applicable then the Issuer, having given at least the minimum period (if any) (but not more than the maximum period (if any)) of notice specified in the relevant Pricing Supplement to MTN Holders in accordance with Condition 12 (which notice must comply with the following paragraph and shall, subject to Condition 6A.2, 6B.4 and 6C (as applicable), be irrevocable) and subject to satisfaction of any relevant conditions specified in the relevant Pricing Supplement, may redeem or Resell all (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, some only) of the MTNs:

(a) in the case of a Subordinated MTN, on any Business Day or within any period (each as specified in the Pricing Supplement provided that no day may be specified for redemption or Resale which falls earlier than the fifth anniversary of the Issue Date of that Subordinated MTN) and before any date (if applicable) as specified in the Pricing Supplement and provided further that the prior written consent of APRA has been obtained and the conditions in Condition 6.7 are satisfied; and

(b) in the case of Senior MTNs, on any Business Day,

(being, in the case of interest bearing MTNs (unless otherwise specified in the relevant Pricing Supplement), an Interest Payment Date) at their early redemption amount or Resale Price (as relevant) applicable for calls by the Issuer ("**Early Redemption or Resale Amount (Call)**") (which is their Outstanding Principal Amount or such other Early Redemption or Resale Amount (Call) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon (including any Arrears of Interest and Additional Interest Amounts).

A notice referred to in the preceding paragraph shall specify:

(c) the Series of MTNs subject to redemption or Resale;

(d) subject to the Pricing Supplement specifying that a partial redemption or partial Resale is permissible, whether such Series is to be redeemed or Resold in whole or in part only and, if in part only, the aggregate principal amount of the MTNs of the relevant Series which are to be redeemed or Resold;

(e) the due date for redemption or Resale;

(f) the Early Redemption or Resale Amount (Call) at which such MTNs are to be redeemed or Resold;

(g) whether or not accrued interest is to be paid upon redemption or Resale and, if so, the amount thereof or the basis or method of calculation thereof, all as provided in the relevant Pricing Supplement; and

(h) which of redemption and Resale applies to a particular MTN.

In the case of a partial redemption or a partial Resale of MTNs, the MTNs to be redeemed or Resold will be selected by the Registrar, and notice of the MTNs selected for redemption or Resale (as relevant) will be given in accordance with Condition 12 not less than 15 days prior to the date fixed for redemption or Resale (as relevant).

Without limiting the foregoing:

- (i) the Issuer may select any one or more of redemption or Resale to apply to the MTN of a Series held by an MTN Holder; and
- (ii) the Issuer may select a different combination of redemption and Resale in respect of MTNs of a Series held by different MTN Holders,

but otherwise the Issuer will endeavour to treat MTN Holders on an approximately proportionate basis.

Any notice given under this Condition 6.4 is irrevocable and obliges the Issuer to redeem or Resell the MTNs at the time and in the manner specified in the notice, unless a Non-Viability Trigger Event occurs after the giving of notice under this Condition 6.4, in which case such notice will be taken to be revoked immediately and automatically and Condition 6A will apply.

## **6.5 Redemption at the option of MTN Holders**

If this Condition 6.5 is specified in the relevant Pricing Supplement as being applicable then, at the option of the MTN Holder and provided that any conditions to the exercise of such option as are specified in the relevant Pricing Supplement have been satisfied, the Issuer will redeem the Senior MTN on any day (being, in the case of an interest bearing Senior MTN (unless otherwise specified in the relevant Pricing Supplement) an Interest Payment Date) at its early redemption amount applicable for puts ("**Early Redemption Amount (Put)**") (which is its Outstanding Principal Amount or such other Early Redemption Amount (Put) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon (including any Arrears of Interest and Additional Interest Amounts).

To exercise such option, the MTN Holder must complete, sign and deliver to the specified office of the Registrar not less than 45 days before the redemption date (or such other period as may be specified in the relevant Pricing Supplement), a redemption notice (in the form obtainable from the Registrar) together with such evidence as the Registrar may require to establish the rights of that MTN Holder to the relevant Senior MTNs.

MTN Holders have no right to require early redemption or Resale of Subordinated MTNs.

## **6.6 Zero Coupon MTNs**

In the case of a Zero Coupon MTN (unless otherwise specified in the Pricing Supplement), the Early Termination Amount is the Amortised Face Amount or such other amount specified in the Pricing Supplement.

## **6.7 Redemption condition for Subordinated MTNs**

A redemption of Subordinated MTNs in accordance with Condition 6.3 or Condition 6.4 must not occur unless either:

- (a) the Subordinated MTNs are replaced, concurrently with the redemption or beforehand, with Regulatory Capital of the same or better quality (for the purposes of APRA's prudential standards as they are applied to the Issuer) and the replacement of the Subordinated MTNs is done under conditions that are sustainable for the income capacity of the Issuer; or
- (b) APRA is satisfied that, having regard to the capital position of the IAG Level 2 Insurance Group, the Issuer does not have to replace the Subordinated MTNs the subject of the redemption.

***Subordinated MTN Holders should not expect that APRA's approval will be given for any redemption or purchase of the Subordinated MTNs.***

## **6.8 Resale mechanics**

- (a) If, subject to Condition 6.4, the Issuer elects to Resell MTNs of a Series in accordance with these Conditions, the provisions of this Condition 6.8 shall apply to that Resale.
- (b) The Issuer must appoint one or more Nominated Purchasers for the Resale on such terms as may be agreed between the Issuer and the Nominated Purchasers (including, without limitation, as to the conditions of any Resale and the procedures for settlement of such Resale). If the Issuer appoints more than one Nominated Purchaser in respect of a Resale, all or any of the MTNs of the Series held by an MTN Holder which are being Resold may be purchased by any one or any combination of the Nominated Purchasers, as determined by the Issuer, for the Resale Price. The obligation of a Nominated Purchaser to pay the Resale Price on the Resale Date may be subject to such conditions as the Issuer may reasonably determine.
- (c) The Issuer may not appoint a person as a Nominated Purchaser unless that person:
  - (i) has undertaken on such terms and subject to such conditions as the Issuer reasonably determines for the benefit of each MTN Holder to acquire each Note the subject of the Resale Notice from the relevant MTN Holder for the Resale Price on the Resale Date; and
  - (ii) is not a Related Entity of the Issuer.
- (d) Each MTN Holder on the Resale Date is taken irrevocably to offer to sell each MTN held by it which is the subject of a Resale Notice to the Nominated Purchaser or Nominated Purchasers on the Resale Date for the Resale Price.
- (e) On the Resale Date, subject to (i) payment by the Nominated Purchaser of the Resale Price for such MTN to the relevant MTN Holder and (ii) payment by the Issuer to the relevant MTN Holder of any (unless otherwise specified in the Pricing Supplement) interest (including any Arrears of Interest and Additional Interest Amounts) accrued to (but excluding) the Resale Date, all right, title and interest in such MTN (excluding the right to any interest payable on that date) will be transferred to the Nominated Purchaser free from encumbrance and the Issuer and the Nominated Purchaser may thereafter redeem or otherwise deal with the MTNs so transferred on the terms and at the times as agreed between them.
- (f) If a Nominated Purchaser does not pay the Resale Price in respect of an MTN the subject of a Resale Notice to the MTN Holder of that MTN on the Resale Date (a **"Defaulting Nominated Purchaser"**) (whether as a result of a condition to purchase not being satisfied or otherwise):
  - (i) the Resale Notice as it relates to the Defaulting Nominated Purchaser and the relevant MTN will be void;
  - (ii) such MTN will not be transferred to the Defaulting Nominated Purchaser on the Resale Date; and
  - (iii) the relevant MTN Holder will continue to hold the relevant MTN until such MTN is otherwise Redeemed, Converted or Resold in accordance with these Conditions.



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## **6A Conversion or Write-Off of Subordinated MTNs on Non-Viability Trigger Event**

### **6A.1 Application to Subordinated MTNs only**

Conditions 6A to 6F (inclusive) apply only to Subordinated MTNs. Schedule A to these Conditions (including the defined terms therein) shall be deemed to form part of, and be incorporated in, Conditions 6B and 6D.

### **6A.2 Non-Viability Trigger Event**

A “**Non-Viability Trigger Event**” means:

- (a) the issuance to the Issuer of a written determination from APRA that conversion or write-off of Relevant Securities is necessary because, without it, APRA considers that the Issuer would become non-viable; or
- (b) a determination by APRA, notified to the Issuer in writing, that without a public sector injection of capital, or equivalent support, the Issuer would become non-viable.

### **6A.3 Conversion or Write-Off of Subordinated MTNs on Trigger Event Date**

If a Non-Viability Trigger Event occurs:

- (a) on the Trigger Event Date, subject only to Condition 6B.4, such Nominal Amount of the Subordinated MTNs will immediately Convert or be Written-Off (whichever is applicable as specified in the Pricing Supplement) as is required by the Non-Viability Determination, provided that:
  - (i) where such Non-Viability Determination is made on the grounds that, without a public sector injection of capital or equivalent support, the Issuer would become non-viable, all Subordinated MTNs must be Converted or Written-Off (as applicable) in full; and
  - (ii) where Condition 6A.3(a)(i) does not apply and such Non-Viability Determination does not require all Relevant Securities to be converted into Ordinary Shares or written-off, such Nominal Amount of the Subordinated MTNs shall Convert or be Written-Off (as applicable) as is sufficient (determined by the Issuer in accordance with Condition 6A.3(b)), in accordance with Condition 6A.3(b)) to satisfy APRA that the Issuer is viable without further conversion or write-off;
- (b) where Condition 6A.3(a)(ii) applies, the Issuer will determine the Nominal Amount of Subordinated MTNs which must be Converted or Written-Off (as applicable), on the following basis:
  - (i) the Issuer will first convert into Ordinary Shares or write-off all Relevant Tier 1 Securities; and
  - (ii) secondly, if conversion into Ordinary Shares or write-off of all Relevant Tier 1 Securities is not sufficient to satisfy APRA that the Issuer is viable without further conversion or write-off (and provided that as a result of the conversion or write-off of Relevant Tier 1 Securities, APRA has not withdrawn the Non-Viability Determination), Convert or Write-Off (as applicable) a Nominal Amount of Subordinated MTNs and convert into Ordinary Shares or write-off a number or principal amount of other Relevant Tier 2 Securities on an approximately pro-rata basis or in a manner that is otherwise, in the opinion of the Issuer, fair and reasonable;

and in determining what is fair and reasonable:

- (A) the Issuer may make such adjustment to take into account the effect on marketable parcels and the need to round to whole numbers the number of Ordinary Shares and the authorised denominations of the Nominal Amount of any Subordinated MTN or the number or principal amount of other Relevant Tier 2 Securities remaining on issue, and the need to effect the conversion immediately); and
- (B) where the specified currency of the principal amount of Relevant Tier 2 Securities is not the same for all Relevant Tier 2 Securities, the Issuer may treat them as if converted into a single currency of the Issuer's choice at such rate of exchange as the Issuer in good faith considers reasonable,

provided always that the determination of the Nominal Amount of Subordinated MTNs to be Converted or Written-Off (as applicable) does not impede or delay the immediate Conversion or Write-Off (as applicable) of the relevant Nominal Amount of Subordinated MTNs);

- (c) on the Trigger Event Date, the Issuer shall determine the Subordinated MTNs or portions thereof as to which the Conversion or Write-Off (as applicable) is to take effect and in making that determination may make any decisions with respect to the identity of the Subordinated MTN Holders at that time as may be necessary or desirable to ensure Conversion or Write-Off (as applicable) occurs in an orderly manner, including disregarding any transfers of Subordinated MTNs that have not been settled or registered at that time provided that such determination does not impede or delay the immediate Conversion or Write-Off (as applicable) of the relevant Nominal Amount of Subordinated MTNs;
- (d) the Issuer must give notice of its determination pursuant to Condition 6A.3(c) (a "**Trigger Event Notice**") as soon as practicable to the Subordinated MTN Holders, which must specify:
  - (i) the Trigger Event Date;
  - (ii) the Nominal Amount of the Subordinated MTNs Converted or Written-Off (as applicable); and
  - (iii) the relevant number or principal amount of other Relevant Securities converted or written-off; and
- (e) none of the following events shall prevent, impede or delay the Conversion or Write-Off (as applicable) of Subordinated MTNs as required by Condition 6A.3(a):
  - (i) any failure or delay in the conversion or write-off of other Relevant Securities;
  - (ii) any failure or delay in giving a Trigger Event Notice;
  - (iii) any requirement to select or adjust the number or Nominal Amount of Subordinated MTNs to be Converted or Written-Off (as applicable) in accordance with Condition 6A.3(b)(ii); and
  - (iv) in the case of Conversion only, any failure or delay in quotation of Ordinary Shares to be issued on Conversion.

A Non-Viability Determination takes effect, and the Issuer must perform the obligations in respect of the determination, immediately on the day it is received by the Issuer, whether or not such day is a Business Day.

#### **6A.4 Conversion or Write-Off of a portion of a Subordinated MTN**

In respect of any Subordinated MTN which is to be Converted or Written-Off only in part:

- (a) the Issuer shall notify the Registrar of the Nominal Amount of such Subordinated MTN that has been Converted or Written-Off and instruct the Registrar to reflect this Conversion or Write-Off (as applicable) in the MTN Register so that the Nominal Amount of such Subordinated MTN is reduced to an amount equal to the non-Converted or non-Written-Off (as applicable) portion of the Nominal Amount of such Subordinated MTN;
- (b) if a certificate of title has been issued to the relevant Subordinated MTN Holder in respect of such Subordinated MTN, then, if the Issuer so requires, such Subordinated MTN Holder shall surrender such certificate of title to the Issuer (or, if the Issuer so directs, to the Registrar) and the Issuer shall deliver to the Subordinated MTN Holder, a new certificate of title for a Subordinated MTN with a Nominal Amount equal to the non-Converted or non-Written-Off (as applicable) portion of the Nominal Amount of such Subordinated MTN; and
- (c) the amount of interest payable in respect of that Subordinated MTN on each Interest Payment Date falling immediately after that Trigger Event Date will be reduced and calculated on the Outstanding Principal Amount of that Subordinated MTN as reduced on the day of the Conversion or Write-Off.

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## **6B Conversion of Subordinated MTNs**

### **6B.1 Conversion of Subordinated MTNs on Trigger Event Date**

Unless "Write-Off – Applicable" is specified in the relevant Pricing Supplement, Condition 6B shall apply to the Subordinated MTNs and, notwithstanding any other provision in these Conditions other than Condition 6B.4, on the Trigger Event Date the relevant Nominal Amount (as determined under Condition 6A.3) of the Subordinated MTNs will Convert immediately and irrevocably.

From the Trigger Event Date, subject to Conditions 6B.4 and 6E(b)(iii), the Issuer shall treat any Subordinated MTN Holder of any Subordinated MTN or portion thereof which is required to be Converted as the holder of the relevant number of Ordinary Shares and will take all such steps, including updating any register, required to record the Conversion and the issuance of such Ordinary Shares.

### **6B.2 Failure to Convert**

Subject to Condition 6B.3 and Condition 6E, if, in respect of a Conversion of Subordinated MTNs, the Issuer fails to issue on the Trigger Event Date the Conversion Number of Ordinary Shares in respect of the relevant Nominal Amount (or portion thereof) of such Subordinated MTNs to, or in accordance with the instructions of, the relevant Subordinated MTN Holder or any other nominee where Condition 6B.3 applies, the Nominal Amount (or portion thereof) of such Subordinated MTNs which would otherwise be subject to Conversion shall remain on issue and outstanding until:

- (a) the Ordinary Shares are issued to, or in accordance with the instructions of, the Subordinated MTN Holder of such Subordinated MTNs; or
- (b) such Subordinated MTNs are Written-Off in accordance with these Conditions,

provided, however, that the sole right of the Subordinated MTN Holder in respect of Subordinated MTNs or portion thereof that are subject to Conversion is its right to be issued Ordinary Shares upon Conversion in accordance with Schedule A (subject to its compliance with this Condition 6B.2 or to receive the proceeds from their sale pursuant to Condition 6B.3, as applicable) and the remedy of such Subordinated MTN Holder in respect of the Issuer's failure to issue the Ordinary Shares in accordance with Schedule A is limited to seeking an order for specific performance of the Issuer's obligations to issue the Ordinary Shares to the Subordinated MTN Holder in accordance with Schedule A or where Condition 6B.3 applies to the nominee and to receive such proceeds of sale, in each case, in accordance with the terms of the Subordinated MTNs. This Condition 6B.2 does not affect the obligation of the Issuer to issue the Ordinary Shares when required in accordance with these Conditions.

### 6B.3 Issue to nominee

If, in respect of a Subordinated MTN and a Subordinated MTN Holder of that Subordinated MTN, the Subordinated MTN or portion thereof is required to be Converted and:

- (a) in the case of a Conversion due to a Non-Viability Trigger Event, the Subordinated MTN Holder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of the Conversion (whether entirely or to the extent specified in the notice), which notice may be given at any time prior to the Trigger Event Date;
- (b) the Subordinated MTNs are held by a Subordinated MTN Holder whose address in the register is a place outside Australia or who the Issuer otherwise believes may not be a resident of Australia (a "**Foreign Holder**"); or
- (c) for any reason (whether or not due to the fault of the Subordinated MTN Holder) the Issuer has not received the information required by Condition 6F.1 prior to the Trigger Event Date and the lack of such information would prevent the Issuer from issuing the Ordinary Shares to the Subordinated MTN Holder on the Trigger Event Date,

then, subject always to Condition 6B.4, on the Trigger Event Date:

- (d) where Condition 6B.3(a) or 6B.3(b) applies, the Issuer shall issue the Ordinary Shares to the Subordinated MTN Holder only to the extent (if at all) that:
  - (i) where Condition 6B.3(a) applies, the Subordinated MTN Holder has notified the Issuer that it wishes to receive them; or
  - (ii) where Condition 6B.3(b) applies, the Issuer is satisfied that the laws of both the Commonwealth of Australia and the Foreign Holder's country of residence permit the issue of Ordinary Shares to the Foreign Holder (but as to which the Issuer is not bound to enquire), either unconditionally or after compliance with conditions which the Issuer in its absolute discretion regards as acceptable and not unduly onerous,

and, to the extent the Issuer is not obliged to issue Ordinary Shares to the Subordinated MTN Holder, the Issuer will issue the balance of the Ordinary Shares to the nominee in accordance with Condition 6B.3(e);

- (e) otherwise, subject to applicable law, the Issuer will issue the balance of Ordinary Shares in respect of the Subordinated MTN Holder to a competent nominee (which may not be a Related Entity of the Issuer) and will promptly notify such Subordinated MTN Holder of the name of and contact information for the nominee and the number of Ordinary Shares issued to the nominee on its behalf and, subject to applicable law:
  - (i) and subject to Condition 6B.3(e)(ii), the nominee will as soon as reasonably possible after issue of the Ordinary Shares sell those Ordinary Shares and pay a cash amount equal to the net proceeds received, after deducting any

applicable brokerage, stamp duty and other taxes and charges, to the Subordinated MTN Holder; and

- (ii) where Condition 6B.3(c) applies, the nominee will hold such Ordinary Shares and will transfer Ordinary Shares to such Subordinated MTN Holder promptly after such Subordinated MTN Holder provides the nominee with the information required to be provided by such Subordinated MTN Holder under Condition 6F.1 (as if a reference in Condition 6F.1(C) to the Issuer is a reference to the nominee and a reference to the issue of Ordinary Shares is a reference to the transfer of Ordinary Shares) but only where such information is provided to the nominee within 30 days of the date on which Ordinary Shares are issued to the nominee upon Conversion of such Subordinated MTN and failing which the nominee will sell the Ordinary Shares and pay the proceeds to such Subordinated MTN Holder in accordance with Condition 6B.3(e)(i);
- (f) nothing in this Condition 6B.3 shall affect the Conversion of the Subordinated MTNs of a Subordinated MTN Holder who is not a person to which any of Condition 6B.3(a) to 6B.3(c) (inclusive) applies; and
- (g) for the purposes of this Condition 6B.3, neither the Issuer nor the nominee owes any obligations or duties to the Subordinated MTN Holders in relation to the price at which Ordinary Shares are sold or has any liability for any loss suffered by a Subordinated MTN Holder as a result of the sale of Ordinary Shares.

#### **6B.4 Write-Off of Subordinated MTNs**

Notwithstanding any other provision of Condition 6B and provided that "Write-Off – Applicable" is not specified in the relevant Pricing Supplement, where Subordinated MTNs are required to be Converted on the Trigger Event Date and Conversion of the relevant Nominal Amount of those Subordinated MTNs that are subject to Conversion has not been effected within five Business Days after the relevant Trigger Event Date for any reason (including, without limitation, an Inability Event):

- (a) the relevant Nominal Amount (or portion thereof) of those Subordinated MTNs which, but for this Condition 6.4B, would be Converted, will not be Converted and instead will be Written-Off with effect on and from the Trigger Event Date; and
- (b) the Issuer shall notify the Subordinated MTN Holders as promptly as practically possible that Conversion of the relevant Nominal Amount (or portion thereof) of the Subordinated MTNs has not occurred and that such Nominal Amount of the Subordinated MTNs has been Written-Off.

#### **6B.5 Meaning of "Written-Off"**

For the purposes of Condition 6B, "**Written-Off**" shall mean that, in respect of a Subordinated MTN or portion thereof that is otherwise subject to Conversion and a Trigger Event Date:

- (a) the Subordinated MTN or portion thereof that is otherwise subject to Conversion will not be Converted on that date and will not be Converted, redeemed or Resold under these Conditions on any subsequent date; and
- (b) on and from the expiry of the fifth Business Day after the relevant Trigger Event Date, the rights of the relevant Subordinated MTN Holder of the Subordinated MTN or portion thereof (including to any right to receive any payment thereunder, both in the future and as accrued but unpaid as at the Trigger Event Date) in relation to such Subordinated MTN or portion thereof are immediately and irrevocably terminated and written-off, with effect on and from the Trigger Event Date,

and "**Write-Off**" has a corresponding meaning.

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## **6C Write-Off of Subordinated MTNs**

### **6C.1 Write-Off of Subordinated MTNs on Trigger Event Date**

If "Write-Off – Applicable" is specified in the relevant Pricing Supplement, Condition 6C shall apply to the Subordinated MTNs and on the Trigger Event Date the rights of the Subordinated MTN Holder of the relevant Subordinated MTNs (including to payment of any principal or interest) in relation to the relevant Nominal Amount (as determined under Condition 6A.3) of the Subordinated MTNs are Written-Off (as that term is defined for the purposes of Condition 6C).

Each Subordinated MTN Holder irrevocably acknowledges and agrees that this Condition 6C is a fundamental term of the Subordinated MTNs to which Condition 6C is applicable and that no conditions or events will affect the operation of this Condition 6C and such Subordinated MTN Holder will not have any rights to vote in respect of any Write-Off under this Condition 6C.1.

### **6C.2 Meaning of "Written-Off"**

For the purposes of Condition 6C, "**Written-Off**" shall mean that, in respect of a Subordinated MTN or portion thereof and a Trigger Event Date, the rights of the relevant Subordinated MTN Holder (including to any right to receive any payment thereunder, both in the future and as accrued but unpaid as at the Trigger Event Date) in relation to such Subordinated MTN or portion thereof are immediately and irrevocably terminated and written-off, and "**Write-Off**" has a corresponding meaning.

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## **6D Subordinated MTN Holder Conversion**

### **6D.1 When a Subordinated MTN Holder Conversion will occur**

If this Condition 6D.1 is specified in the relevant Pricing Supplement as being applicable, a Subordinated MTN Holder may at its option give a written notice (a "**Holder Conversion Notice**") in respect of some or all of its Subordinated MTNs and a Holder Conversion Date in accordance with and subject to Condition 6D.2, in which case the Subordinated MTNs the subject of the Holder Conversion Notice will be Converted into Ordinary Shares on the Holder Conversion Date in accordance with the mechanics set out in Schedule A.

### **6D.2 Holder Conversion Notice**

In order to elect to Convert its Subordinated MTNs, a Subordinated MTN Holder must give a Holder Conversion Notice to the Issuer within the minimum notice period (if any) but not more than the maximum notice period (if any) specified in the relevant Pricing Supplement in accordance with Condition 12. A Holder Conversion Notice must specify:

- (a) the Holder Conversion Date;
- (b) the Series of Subordinated MTNs subject to Conversion; and
- (c) if the Pricing Supplement specifies that a partial Conversion is applicable, whether such Series is to be Converted in whole or in part and, if in part only, the Nominal Amount of Subordinated MTNs of the relevant Series to be Converted (which amount must be a minimum amount and an integral multiple of an amount above the minimum amount equal to the Denomination of a Subordinated MTN or as otherwise specified in the Pricing Supplement. If the Conversion is not of all of the Subordinated MTN Holder's Subordinated MTNs, the Subordinated MTN Holder must have a minimum aggregate Nominal Amount of Subordinated MTNs remaining after the Conversion as specified in the Pricing Supplement);
- (d) the information required by Condition 6F.1; and
- (e) be accompanied by a duly executed (and if required by the Issuer) stamped transfer form in respect of the Subordinated MTNs to be transferred.

A Holder Conversion Notice once given is irrevocable, unless a Non-Viability Trigger Event occurs after the giving of notice under this Condition 6D.2, in which case such notice will be taken to be revoked immediately and automatically and Condition 6A will apply.

### **6D.3 Settlement of Holder Conversion**

On the Conversion Date, the Issuer and the Subordinated MTN Holder shall perform their respective obligations in respect of the Conversion and the Subordinated MTN shall be Converted accordingly.

### **6D.4 Failure to Convert**

If on a Holder Conversion Date the Conversion Number of Ordinary Shares is not issued or delivered in respect of a Subordinated MTN, that Subordinated MTN remains on issue and any interest (including any Arrears of Interest and Additional Interest Amounts) will continue to accrue until the Ordinary Shares are issued to the Subordinated MTN Holder (which date shall be the Holder Conversion Date in respect of that Subordinated MTN) or the Subordinated MTN is redeemed or purchased in accordance with Condition 6, Converted as required by Condition 6B or Written-Off.

The remedy of a Subordinated MTN Holder in respect of the Issuer's failure to issue or deliver the Ordinary Shares in accordance with Schedule A is limited to seeking an order for specific performance of the Issuer's obligations to issue or deliver the Ordinary Shares to the Subordinated MTN Holder in accordance with the terms of the Subordinated MTNs.

This Condition 6D.4 does not affect the obligation of the Issuer to issue or deliver Ordinary Shares when required in accordance with these Conditions.

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## **6E Subordinated MTN Holder acknowledgements**

For the purposes of Conversion under Conditions 6B and 6D, each Subordinated MTN Holder irrevocably consents to becoming a member of the Issuer upon the Conversion of the relevant Nominal Amount of Subordinated MTNs and agrees to be bound by the constitution of the Issuer, in each case in respect of the Ordinary Shares issued to such Subordinated MTN Holder on Conversion.

For the purposes of Conversion as required by Condition 6B, each Subordinated MTN Holder irrevocably acknowledges and agrees as a fundamental term of the Subordinated MTNs:

- (a) that it is obliged to accept Ordinary Shares upon a Conversion of the Nominal Amount of Subordinated MTNs it holds notwithstanding anything that might otherwise affect a Conversion of such Nominal Amount of Subordinated MTNs including:
  - (i) any change in the financial position of the Issuer or the Group since the issue of such Subordinated MTNs;
  - (ii) any disruption to the market or potential market for the Ordinary Shares or to capital markets generally; or
  - (iii) any breach by the Issuer of any obligation in connection with such Subordinated MTNs;
- (b) that:
  - (i) there are no conditions to a Non-Viability Trigger Event occurring as and when provided in Condition 6A.2;
  - (ii) Conversion must occur immediately on the occurrence of a Non-Viability Trigger Event and that may result in disruption or failures in trading or dealings in the Subordinated MTNs;
  - (iii) it will not have any rights to vote in respect of any Conversion; and
  - (iv) the Ordinary Shares issued on Conversion may not be quoted at the time of issue, or at all;
- (c) that where Condition 6B.4 applies, no conditions or events will affect the operation of that Condition and such Subordinated MTN Holder will not have any rights to vote in respect of any Write-Off under that Condition and has no claim against the Issuer arising in connection with the application of that Condition;
- (d) unless "Conversion – Applicable" is specified in the relevant Pricing Supplement, that such Subordinated MTN Holder has no right to request a Conversion of any Nominal Amount of any Subordinated MTNs or to determine whether (or in what circumstances) the Nominal Amount of Subordinated MTNs it holds is Converted;
- (e) that none of the following shall prevent, impede or delay the Conversion or (where relevant) Write-Off of the Nominal Amount of Subordinated MTNs:
  - (i) any failure to or delay in the conversion or write-off of other Relevant Securities;
  - (ii) any failure or delay in giving a Trigger Event Notice or other notice required by Conditions 6A to 6C (inclusive);
  - (iii) any failure or delay in quotation of the Ordinary Shares to be issued on Conversion or in the taking of such action as is needed to make them freely tradeable;
  - (iv) any failure or delay in Converting any Subordinated MTN in part pursuant to the provisions of Condition 6A.4; and
  - (v) any requirement to determine or adjust the number or Nominal Amount of Subordinated MTNs to be Converted in accordance with Condition 6A.3(b); and
- (f) that, where Subordinated MTNs are Converted, it has no right to receive payment of any Nominal Amount payable in respect of the Conversion, and any such amount is



irrevocably directed to be applied as contemplated by paragraph 1(b)(i) of Schedule A to these Conditions.

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## 6F Provision of Information

### 6F.1 Information

In order to receive Ordinary Shares on Conversion:

- (a) a Subordinated MTN Holder which has elected a Conversion under Condition 6D must specify in the Holder Conversion Notice (or in the case of information requested in paragraph (iii) below, in a Holder Details Notice to be delivered to the Issuer and the Registrar no later than 2 Business Days following the request from the Issuer); and
- (b) a Subordinated MTN Holder whose Subordinated MTN (or portion thereof) is required to be Converted under Condition 6B must specify in a Holder Details Notice to be delivered to the Issuer and the Registrar no later than the Trigger Event Date (or, in the case where Condition 6B.3(e) applies, within 30 days of the date on which Ordinary Shares are issued upon such Conversion),

the following details:

- (i) the name and address of the Subordinated MTN Holder (or the name and address of any person in whose name it directs the Ordinary Shares to be issued) for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares;
- (ii) the security account details in a Clearing System or such other account to which the Ordinary Shares may be credited; and
- (iii) such other information as is reasonably requested by the Issuer for the purposes of enabling it to issue the Conversion Number of Ordinary Shares to such Subordinated MTN Holder.

The Issuer has no duty to seek or obtain such information.

### 6F.2 Power of Attorney

Each Subordinated MTN Holder appoints the Issuer, any of its respective officers and any External Administrator of the Issuer (each an “**Attorney**”) severally to be the attorney of the Subordinated MTN Holder with power in the name and on behalf of the Subordinated MTN Holder to sign all documents and transfers and do any other thing as may in the Attorney’s opinion be necessary or desirable to be done in order for the Subordinated MTN Holder to observe or perform the Subordinated MTN Holder’s obligations under these Conditions including, but not limited to, effecting any transfers of Subordinated MTNs or portion thereof or for the purposes of Conversion, making any entry in the Register or exercising any voting power in relation to any consent or approval required for Conversion.

The power of attorney given in this Condition 6F.2 is given for valuable consideration and to secure the performance by the Subordinated MTN Holder of the Subordinated MTN Holder’s obligations under these Conditions, and is irrevocable.

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## 7 Negative pledge

So long as any Senior MTN remains Outstanding, the Issuer is not permitted to create or permit to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt, or any guarantee of or indemnity in

respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer's obligations under the Senior MTNs:

- (a) are secured equally and rateably therewith; or
- (b) have the benefit of such other security, guarantee, indemnity or other arrangement that is not materially less beneficial to the Senior MTN Holders or which is approved by an Extraordinary Resolution of Senior MTN Holders.

The following words have these meanings in this Condition 7:

**"Relevant Debt"** means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities that are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, automated trading system, over-the-counter or other securities market.

**"Security"** means a mortgage, charge, pledge, lien or other form of encumbrance or security interest.

## 8 Events of Default

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### 8.1 Events of Default - Senior MTNs

An Event of Default occurs in relation to a Series of Senior MTNs if:

- (a) **(payment default)** the Issuer fails to pay any amount in respect of the Senior MTNs of the relevant Series or any of them within five Business Days of the due date for payment;
- (b) **(other default)** the Issuer defaults in the performance or observance of any of its other material obligations under an MTN and (except where such default is incapable of remedy) such default continues for a period of 15 days next following the service of a notice by a Senior MTN Holder requiring the same to be remedied;
- (c) **(cross default)** any present or future monetary obligation of the Issuer or any of its Subsidiaries:
  - (i) in connection with money borrowed or raised by any of them, or any hiring arrangement, redeemable preference share, letter of credit, financial markets transaction (including, without limitation, a swap, option or futures contract) to which either of them is a party:
    - (A) is not satisfied on time, or at the end of its period of grace; or
    - (B) becomes prematurely payable as a result of an event of default; or
  - (ii) to guarantee or indemnify against loss in connection with money borrowed or raised is not discharged at maturity or when called,

provided that the aggregate amount of the indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above have occurred equals or exceeds A\$50,000,000 (or its equivalent in any other currency or currencies);

- (d) **(enforcement action)** a judgement, order or encumbrance is enforced, or becomes enforceable against any property of the:
  - (i) Issuer and where such distress, judgement, order or encumbrance is for an amount exceeding A\$50,000,000; or

- (ii) any Subsidiary of the Issuer where such enforcement would materially affect the ability of the Issuer to perform its obligations under the Senior MTNs,

provided that such judgment, order or encumbrance is not set aside or satisfied within 60 days or the Issuer or Subsidiary is diligently pursuing in good faith an appeal from the judgment or award;

- (e) **(insolvency)** an Insolvency Event occurs in respect of the Issuer;
- (f) **(administration)** a controller (as defined in the Corporations Act) is appointed in respect of the whole or any part of the property of the Issuer or any of its Subsidiaries and such appointment would materially affect the ability of the Issuer to perform its obligations under the MTNs; or
- (g) **(obligations unenforceable)** any of the Senior MTNs become wholly or partly void, voidable or unenforceable or is claimed to be so by the Issuer.

Notwithstanding any other provision of this Condition 8.1 no Event of Default in respect of any Senior MTN shall occur solely on account of any failure by any member of the Group to perform or observe its obligations in relation to, or the taking of any process or proceeding in respect of any share, note or other security or instrument constituting Tier 1 Capital of any member of the IAG Level 2 Insurance Group or Tier 2 Capital of any member of the IAG Level 2 Insurance Group.

## 8.2 Consequences of an Event of Default - Senior MTNs

Subject to Condition 8.6, if any Event of Default occurs in relation to the Senior MTNs of any Series, then a Senior MTN Holder in that Series may by written notice to the Issuer (with a copy to the Registrar and the Programme Manager) declare the Early Termination Amount (together with all accrued interest (if any)) applicable to each Senior MTN held by the Senior MTN Holder to be due and payable immediately or on such other date specified in the notice.

## 8.3 Events of Default - Subordinated MTNs

An Event of Default occurs in relation to a Series of Subordinated MTNs if:

- (a) **(Payment Default)** a Payment Default occurs in respect of the Issuer; or
- (b) **(Winding Up Default)** a Winding Up Default occurs in respect of the Issuer.

## 8.4 Consequences of an Event of Default - Subordinated MTNs

- (a) **(Payment Default)** Subject to Condition 8.6, if a Payment Default occurs in relation to the Subordinated MTNs of any Series, then a Subordinated MTN Holder in that Series may, subject to Condition 8.4(b), institute proceedings:
  - (i) in a court of competent jurisdiction against the Issuer to recover any principal, interest, or other amount in respect of the Subordinated MTNs not paid by the Issuer as specified in Condition 8.3(a), subject to the Issuer being able to pay that principal, interest or other amount and remaining Solvent after making that payment;
  - (ii) in a court of competent jurisdiction against the Issuer to obtain an order for specific performance of any other obligation in respect of the Subordinated MTNs; and/or
  - (iii) for a Winding Up of the Issuer.

- (b) **(No acceleration)** Upon the occurrence of a Payment Default, Subordinated MTN Holders will have no right to accelerate the Issuer's payment obligations under the Subordinated MTNs or to take any other action which has the same economic effect as an acceleration.
- (c) **(Winding Up Default)** If a Winding Up Default occurs in relation to the Issuer, a Subordinated MTN Holder may, in addition to taking any of the actions specified in Condition 8.4(a) above, by notice to the Issuer and the Registrar declare that such Subordinated MTNs are immediately due and payable at their Outstanding Principal Amount together with accrued interest and any other amounts accrued under the Subordinated MTNs and, subject to Condition 4.3 may prove in the Winding Up for an amount equal to such amount.

## **8.5 Amounts unpaid remain debts**

Any amount not paid due to Condition 8.4(a)(i) accumulates and remains a debt owing to the Subordinated MTN Holder by the Issuer until it is paid.

## **8.6 Rectification**

A Senior MTN Holder's right to declare Senior MTNs due terminates if the situation giving cause to it has been cured before such right is exercised. A Subordinated MTN Holder's right to take any of the actions contemplated in Condition 8.4(a) terminates if the situation giving cause to it has been cured before such right is exercised.

## **8.7 Notification**

If an Event of Default occurs, the Issuer must promptly after becoming aware of it notify the Registrar and the Programme Manager of the occurrence of the Event of Default (specifying details of it) and procure that the Registrar promptly notifies the relevant MTN Holders of the occurrence of the Event of Default by registered post to the address of the MTN Holder recorded in the MTN Register.

# **9 Payments**

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## **9.1 Record Date**

Payments to MTN Holders will be made according to the particulars recorded in the MTN Register at 5.00pm (Sydney time) on the relevant Record Date.

## **9.2 Joint holders**

When an MTN is held jointly, payment will be made to the holders in their joint names unless requested otherwise.

## **9.3 Method of payments**

Payments in respect of each MTN will be made:

- (a) if the MTNs are in the Austraclear System, by crediting on the relevant Payment Date the amount then due to the account of the MTN Holder in accordance with the Austraclear Regulations; or
- (b) if the MTNs are not in the Austraclear System, by crediting on the Payment Date the amount then due to an account previously notified by the MTN Holder in respect of that MTN to the Issuer and the Registrar. If the MTN Holder has not notified the Issuer and the Registrar of such an account by close of business on the relevant Record Date or upon application by the MTN Holder to the Issuer and the Registrar on

later than close of business on the relevant Record Date, payments in respect of the relevant MTN will be made by cheque, mailed on the Business Day immediately preceding the relevant Interest Payment Date in the case of payments of interest or on the due date for redemption or repayment, in the case of payments of principal, at the MTN Holder's risk to the MTN Holder (or to the first named of joint registered holder) of such MTN at the address appearing in the MTN Register as at the Record Date. Cheques to be despatched to the nominated address of an MTN Holder will in such cases be deemed to have been received by the MTN Holder on the relevant Payment Date and no further amount will be payable by the Issuer in respect of the relevant MTN as a result of payment not being received by the MTN Holder on the due date.

#### **9.4 Business Days**

All payments must be made in accordance with the Applicable Business Day Convention. Nothing in this clause applies to any payment referred to in paragraph 1(b)(i) of Schedule A which occurs on the Trigger Event Date as provided in paragraph 1(b)(i) of Schedule A.

#### **9.5 Payment subject to fiscal laws**

Payments (whether in respect of principal, redemption amounts, interest or otherwise) in respect of the MTNs are subject in all cases to applicable provisions of fiscal and other laws, regulations and directives.

#### **9.6 Taxation - Additional Amounts**

Unless this Condition 9.6 is specified in the Pricing Supplement as not being applicable, all payments (whether in respect of principal redemption amounts, interest or otherwise) in respect of the MTNs will be made without set-off or counterclaim and free and clear of, and without deduction of or withholding on account of any Taxes now or hereafter imposed, levied, collected, withheld or assessed the Commonwealth of Australia or any political subdivision therein or thereof unless such withholding or deduction is required by law. In the event a deduction or withholding is required by law, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amount received by the MTN Holders after such withholding or deduction equals the respective amounts which would otherwise have been receivable in respect of the MTNs in the absence of such withholding or deduction, except that no Additional Amounts are payable in relation to any payments in respect of any MTN:

- (a) to, or to a third party on behalf of, an MTN Holder who is liable to such Taxes in respect of such MTN by reason of that MTN Holder having some connection with the Commonwealth of Australia or any political subdivision therein or thereof other than the mere holding of such MTN or receipt of payment (whether in respect of principal, redemption amount, interest or otherwise) in respect thereof;
- (b) to, or to a third party on behalf of, an MTN Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar claim for exemption to any tax authority in the place where payment under the MTN is made;
- (c) presented for payment more than 30 days after the Relevant Date except to the extent that an MTN Holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day;
- (d) to, or to a third party on behalf of, an MTN Holder who is liable to the Taxes in respect of the MTN by reason of the MTN Holder being an associate of the Issuer within the meaning of section 128F(9) of the Tax Act;

- (e) to, or to a third party on behalf of an Australian resident MTN Holder, or a non-resident MTN Holder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that person has not supplied an appropriate tax file number, (if applicable) an Australian Business Number or details of an applicable exemption;
- (f) in respect of any Taxes imposed on, or calculated having regard to, the net income of the MTN Holder (or a person having an interest in an MTN);
- (g) to, or to a third party on behalf of, an MTN Holder where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Tax Act or section 250-5 of Schedule 1 to the Taxation Administration Act 1953 of the Commonwealth of Australia or any similar law; or
- (h) in such other circumstances as may be specified in the Pricing Supplement.

## **9.7 Currency indemnity**

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if an MTN Holder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate taking into account any costs of conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion.

## **9.8 FATCA**

The Issuer may withhold or make deductions from payments or from the issue of Ordinary Shares to an MTN Holder where it is required to do so under or in connection with FATCA, or where it has reasonable grounds to suspect that the MTN Holder or a beneficial owner of the MTNs may be subject to FATCA, and may deal with such payment, and any Ordinary Shares in accordance with FATCA. If any withholding or deduction arises under or in connection with FATCA, notwithstanding Condition 9.6 (if otherwise applicable), the Issuer will not be required to pay any further amounts or issue any further Ordinary Shares on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, an MTN Holder or a beneficial owner of the MTNs for or in respect of any such withholding or deduction. A dealing with such payment and any Ordinary Shares in accordance with FATCA satisfies the Issuer's obligations to that MTN Holder to the extent of the amount of that payment or issue of Ordinary Shares.

## **10 Further issues**

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The Issuer may from time to time, without the consent of any MTN Holder, issue further MTNs having the same terms and conditions as the MTNs of any Series in all respects (or in all respects except for the first payment of interest, if any, on them, the date from which interest starts to accrue and/or their denomination) so as to form a single Series with the MTNs of that Series, provided that, in the case of Subordinated MTNs, such further Subordinated MTNs meet the requirements of APRA to be eligible to be treated as Tier 2 Capital of the IAG Level 2 Insurance Group.

## **11 Time limit for claims**

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A claim against the Issuer for a payment under an MTN is void unless such claim is made within 10 years (in the case of principal and redemption amount) or 5 years (in the case of interest and other amounts) from the Relevant Date of payment.

## **12 Notices**

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### **12.1 To the Issuer, the Programme Manager, the Registrar and the Agent**

A notice or other communication in connection with an MTN to the Issuer, the Programme Manager, a Registrar or an Agent must be in writing and may be given by prepaid post or delivery to the address of the addressee or by facsimile to the facsimile number of the addressee specified:

- (a) in the Information Memorandum; or
- (b) as otherwise agreed between those parties from time to time and notified to the MTN Holders.

### **12.2 To MTN Holders**

A notice or other communication in connection with an MTN to the MTN Holders must be in writing and may be given by:

- (a) an advertisement published in The Australian Financial Review or any other newspaper or newspapers circulating in Australia generally;
- (b) if an additional or alternate newspaper is specified in the Pricing Supplement, that newspaper; or
- (c) prepaid post (airmail if posted to or from a place outside Australia) or delivery or by facsimile to the address of facsimile address, as the case may be, of each MTN Holder or any relevant MTN Holder as shown in the MTN Register at the close of business three Business Days prior to the dispatch of the relevant notice or communication.

### **12.3 Effective on receipt**

Unless a later time is specified in it a notice, approval, consent or other communication takes effect from the time it is received, except that if it is received after 5.00pm in the place of receipt or on a non-Business Day in that place, it is to be taken to be received at 9.00am on the next succeeding Business Day in that place.

### **12.4 Proof of receipt**

Subject to Condition 12.3, proof of posting of a letter or of dispatch of a facsimile or of publication of a notice is proof of receipt:

- (a) in the case of a letter, on the sixth (or tenth, if sent from one country to another) Business Day after posting;
- (b) in the case of a facsimile, on receipt by the sender of a successful transmission report; and
- (c) in the case of publication, on the date of such publication.

## **13 Meetings of MTN Holders**

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Meetings of MTN Holders may be convened in accordance with the Meetings Provisions. Any such meeting may consider any matters affecting the interests of MTN Holders, including, without limitation, the variation of the terms of the MTNs by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

## **14 Amendments**

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### **14.1 To cure ambiguities**

Subject to Condition 4.5, these Conditions, the MTN Deed Poll and the Pricing Supplement may be varied by the Issuer, without the consent of any MTN Holder if, in the reasonable opinion of the Issuer, the variation:

- (a) is necessary or advisable to comply with any law;
- (b) is necessary to correct an obvious error, or otherwise of a formal, technical or administrative nature only;
- (c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision;
- (d) is made to:
  - (i) alter the terms of any Subordinated MTNs to align them with any Equal Ranking Securities issued after the Issue Date of those Subordinated MTNs; or
  - (ii) alter the definition of “Equal Ranking Securities” as it applies to any Subordinated MTNs on account of the issue (after the Issue Date in respect of those Subordinated MTNs) of capital instruments of any member of the IAG Level 2 Insurance Group;
- (e) is not materially prejudicial to the interests of the MTN Holders as a whole; or
- (f) only applies to MTNs issued by the Issuer after the date of the amendment.

### **14.2 Approval by MTN Holders**

Subject to Condition 4.5, these Conditions, MTN Deed Poll and the Pricing Supplement may otherwise be varied by the Issuer with the approval of the MTN Holders by Extraordinary Resolution. No other variation to these Conditions has effect in relation to the MTN Holders who hold MTNs at the date of any variation deed, unless they otherwise agree in writing. A variation will take effect in relation to all subsequent MTN Holders. A variation which affects only a particular Series or Tranche of MTNs may be approved solely by the MTN Holders of such Series or Tranche.

### **14.3 Other documents**

The issuer may vary or terminate any Registry Services Agreement and any Agency Agreement or other deed or agreement entered into in connection with any MTN without the consent of MTN Holders provided that so long as any MTNs are Outstanding there is a Registrar appointed in respect of such MTNs.

### **14.4 Meaning of “vary”**

In this Condition 14, “vary” includes amend, novate, assign, modify, add to, cancel or alter and “variation” has a corresponding meaning.



## 15 Registrar

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### 15.1 Role of the Registrar

In acting under the Registry Services Agreement in connection with the MTNs, the Registrar acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the MTN Holders save insofar as any funds received by the Registrar are required in accordance with the Registry Services Agreement, pending their application in accordance with the Registry Services Agreement, to be held by it in a segregated account on trust for the persons entitled thereto.

### 15.2 Change of Registrar

The Issuer reserves the right at any time to terminate the appointment of the Registrar in accordance with the relevant Registry Services Agreement and to appoint a successor or additional registrars, provided, however, that the Issuer must at all times maintain the appointment of a registrar with its specified office in Australia. Notice of any such termination of appointment will be given to the MTN Holders in accordance with Condition 12.

### 15.3 Appointment of replacement Registrar

If a then current Registrar ceases to be Registrar (whether as a result of termination under Condition 15.2, resignation as a result of the MTNs ceasing to be lodged in the Clearing System or otherwise), the Issuer must ensure that a replacement Registrar is appointed with effect from the relevant date.

## 16 Calculation Agent

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The Calculation Agent and its initial specified officers are as set out in the relevant Pricing Supplement for the MTNs issued by the Issuer. The Issuer reserves the right at any time to terminate the appointment of the Calculation Agent or to appoint additional or other Calculation Agents, provided that it will ensure that at all times for so long as any MTNs are outstanding the Calculation Agent acts in respect of MTNs for which these Conditions require a Calculation Agent to make calculations.

## 17 Substitution of the Issuer

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### 17.1 Senior MTNs - Substitution with guarantee

The Issuer may, on 30 days' notice to but without the consent of MTN Holders, if no payment of principal, redemption amount or interest in connection with any of the Senior MTNs is in default, at any time substitute for the Issuer any entity (including, without limitation, a special purpose company) ("**Substitute Issuer**") in respect of all obligations arising from or in connection with one or more Series of Senior MTNs ("**Relevant Senior MTNs**"). The Issuer may only do this if:

- (a) the Substitute Issuer assumes all obligations of the Issuer under the Relevant Senior MTNs;
- (b) the Issuer unconditionally and irrevocably guarantees the obligations so to be assumed by the Substitute Issuer;
- (c) the Substitute Issuer has obtained all necessary authorisations from the authorities in the country where the Substitute Issuer is located, and can transfer to the Registrar or an Agent (as the case may be), all amounts necessary for the fulfilment of the payment obligations on or in connection with the Relevant Senior MTNs in such freely negotiable and convertible legal currency of Australia without withholding or deduction for or on account of any taxes, charges or duties of whatsoever nature;

- (d) there have been delivered to the Registrar and the Programme Manager opinions of lawyers of recognised standing in Australia and of lawyers of recognised standing in the country of incorporation of the Substitute Issuer to the effect that the matters referred to in paragraphs (a), (b) and (c) above have been satisfied; and
- (e) unless the Senior MTNs are unrated, the Senior MTNs continue to have a credit rating from an internationally recognised rating agency which is investment grade and at least equal to the credit rating of the Senior MTNs immediately prior to the substitution.

## **17.2 Notice**

Notice of any such substitution shall be given to the MTN Holders in accordance with Condition 12.

## **17.3 Effective Date**

A substitution under this Condition 17 takes effect on and from the date (“**Effective Date**”) specified under Condition 17.1, which must be a date not earlier than the date on which the notice is given.

## **17.4 Effect of substitution**

On and with effect from the Effective Date:

- (a) the Substitute Issuer assumes all of the obligations of the Issuer with respect to the Relevant Senior MTNs (whether accrued before or after the Effective Date); and
- (b) the Issuer is released from its obligations in respect of the Senior MTNs (other than in the case of the Senior MTNs for which a substitution is made under Condition 17.1, to the extent of the guarantee in Condition 17.1(b));
- (c) any reference in the Conditions of the Relevant Senior MTNs to:
  - (i) the Issuer shall from then on be deemed to refer to the Substitute Issuer; and
  - (ii) the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for tax purposes of the Substitute Issuer.

## **17.5 No limitation**

Nothing in this Condition 17 limits the rights of the Issuer or the power of APRA or any court under the Insurance Act 1973 (Cth) or otherwise under the MTNs or the MTN Deed Poll.

# **18 Governing law and jurisdiction**

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## **18.1 Governing law**

The MTNs are governed by the law in force in the State of New South Wales.

## **18.2 Jurisdiction**

The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the State of New South Wales and courts of appeal from them.

# SCHEDULE A TO THE CONDITIONS

**1 Conversion**

If the Issuer must Convert a Nominal Amount of a Subordinated MTN in accordance with the Conditions or if a Subordinated MTN Holder elects to Convert, then, subject to this Schedule A, the following provisions apply:

- (a) the Issuer will allot and issue on the Trigger Event Date or a Holder Conversion Date (as the case may be) a number of Ordinary Shares in respect of the Nominal Amount of that Subordinated MTN equal to the Conversion Number, where the Conversion Number (but subject to the Conversion Number being no more than the Maximum Conversion Number) is a number calculated according to the following formula:

$$\text{Conversion Number} = \frac{\text{Nominal Amount}}{99\% \times \text{VWAP}}$$

where:

**“Nominal Amount”** means:

- (i) in the case of Conversion required after the occurrence of a Non-Viability Trigger Event, the nominal amount of the Subordinated MTN required to be Converted in accordance with Condition 6B; and
- (ii) in the case of a Subordinated MTN Holder Conversion, the nominal amount of the Subordinated MTN elected by a Subordinated MTN Holder for Conversion together with accrued interest (if any) (including any Arrears of Interest and Additional Interest Amounts in respect of that Subordinated MTN).

**“VWAP”** (expressed in dollars and cents or equivalent denominations of any relevant Alternate Currency) means the VWAP during the VWAP Period and where the **“Maximum Conversion Number”** means a number calculated according to the following formula:

$$\text{Maximum Conversion Number} = \frac{\text{Nominal Amount}}{\text{Issue Date VWAP} \times \text{Relevant Fraction}}$$

- (b) on the Trigger Event Date or a Holder Conversion Date (as the case may be):
  - (i) the rights of each Subordinated MTN Holder (including to payment of interest with respect to such Nominal Amount, both in the future and as accrued but unpaid as at the Trigger Event Date) in relation to the Nominal Amount of each Subordinated MTN or portion thereof that is being Converted will be immediately and irrevocably terminated for an amount equal to the Nominal Amount of that Subordinated MTN (or portion thereof) that is being Converted and the Issuer will apply that Nominal Amount (or portion thereof) by way of payment for subscription for the Ordinary Shares to be allotted and issued under paragraph 1(a) of this Schedule A. Each Subordinated MTN Holder is taken to have irrevocably directed that any amount payable under paragraph 1(b)(i) of this

Schedule A is to be applied as provided for in this paragraph 1(b)(i) and no Subordinated MTN Holder has any right to payment in any other way;

- (ii) in the case of a Trigger Event Date, all rights to the payment of interest in respect of the Subordinated MTN or the relevant portion thereof (including any Arrears of Interest and any Additional Interest) are immediately and irrevocably terminated; and
  - (iii) in the case of a Holder Conversion Date, interest scheduled to be paid on this date together with any Arrears of Interest and Additional Interest shall be paid;
- (c) any calculation under paragraph 1(a) of this Schedule A shall be, unless the context requires otherwise, be rounded to four decimal places provided that if the total number of additional Ordinary Shares to be allotted to a Subordinated MTN Holder in respect of the aggregate Nominal Amount of the Subordinated MTNs it holds which is being Converted includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded; and
- (d) the rights attaching to Ordinary Shares issued as a result of Conversion do not take effect until 6.00pm (Sydney, Australia time) on the Trigger Event Date or a Holder Conversion Date (as the case may be) (unless another time is required for Conversion on that date in the case of a Conversion required by Condition 6B). At that time all other rights conferred or restrictions imposed on that Subordinated MTN under the Conditions will no longer have effect to the extent of the Nominal Amount of that Subordinated MTN being Converted (except for the right to receive the Ordinary Shares as set forth in paragraph 1 of this Schedule A and Conditions 6B and 6D and except for rights relating to interest which is payable but has not been paid on or before the Trigger Event Date which will continue).

## 2 Adjustments to VWAP

For the purposes of calculating VWAP in the Conditions:

- (a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on the Australian Securities Exchange as cum dividend or cum any other distribution or entitlement and the relevant Nominal Amount of Subordinated MTNs will Convert into Ordinary Shares after the date those Ordinary Shares no longer carry that dividend or any other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount ("**Cum Value**") equal to:
- (i) (in case of a dividend or other distribution), the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Tax Act;
  - (ii) (in the case of any other entitlement that is not a dividend or other distribution under paragraph 2(a)(i) of this Schedule A which is traded on the Australian Securities Exchange on any of those Business Days), the volume weighted average sale price of all such entitlements sold on the Australian Securities Exchange during the VWAP Period on the Business Days on which those entitlements were traded; or
  - (iii) (in the case of any other entitlement which is not traded on the Australian Securities Exchange during the VWAP Period), the value of the entitlement as reasonably determined by the directors of the Issuer; and
- (b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted on the Australian Securities Exchange as ex dividend or ex any other

distribution or entitlement, and the relevant Nominal Amount of Subordinated MTNs will Convert into Ordinary Shares which would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

### 3 Adjustments to VWAP for divisions and similar transactions

- (a) Where during the relevant VWAP Period there is a change in the number of the Ordinary Shares on issue as a result of a division, consolidation or reclassification of the Issuer's share capital (not involving any cash payment or other distribution or consideration to or by holders of Ordinary Shares) (a "Reorganisation"), in calculating the VWAP for that VWAP Period the daily VWAP applicable on each day in the relevant VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reorganisation basis shall be adjusted by multiplying the daily VWAP by following formula:

$$\frac{A}{B}$$

where:

**A** means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

**B** means the aggregate number of Ordinary Shares immediately after the Reorganisation.

- (b) Any adjustment made by the Issuer in accordance with paragraph 3(a) of this Schedule A will, absent manifest error, be effective and binding on the Subordinated MTN Holders under these terms and these terms will be construed accordingly. Any such adjustment must be promptly notified to all Subordinated MTN Holders.

### 4 Adjustments to Issue Date VWAP

For the purposes of determining the Issue Date VWAP, corresponding adjustments to VWAP will be made in accordance with paragraphs 2 and 3 of this Schedule A during the 20 Business Day period over which VWAP is calculated for the purposes of determining the Issue Date VWAP. On and from the Issue Date adjustments to the Issue Date VWAP:

- (a) may be made in accordance with paragraphs 5 to 7 of this Schedule A (inclusive); and  
 (b) if so made, will cause an adjustment to the Maximum Conversion Number.

### 5 Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to paragraph 5(b) of this Schedule A below, if at any time after the Issue Date the Issuer makes a pro rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_o \quad x \quad \frac{RD}{RD + RN}$$

where:

**V** means the Issue Date VWAP applying immediately after the application of this formula;

**Vo** means the Issue Date VWAP applying immediately prior to the application of this formula;

**RN** means the number of Ordinary Shares issued pursuant to the bonus issue; and

**RD** means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue.

- (b) For the avoidance of doubt, paragraph 5(a) of this Schedule A does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purpose of paragraph 5(a) of this Schedule A, an issue will be regarded as a pro rata issue notwithstanding that the Issuer does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing the Issuer is not in contravention of the ASX Listing Rules.
- (d) No adjustments to the Issue Date VWAP will be made under this paragraph 5 of this Schedule A for any offer of Ordinary Shares not covered by paragraph 5(a) of this Schedule A, including a rights issue or other essentially pro rata issue.

## **6 Adjustment to Issue Date VWAP for divisions and similar transactions**

- (a) If at any time after the Issue Date, a Reorganisation occurs, the Issuer shall adjust the Issue Date VWAP by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reorganisation by the following formula:

$$\frac{A}{B}$$

where:

**A** means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

**B** means the aggregate number of Ordinary Shares immediately after the Reorganisation.

- (b) Any adjustment made by the Issuer in accordance with paragraph 6(a) of this Schedule will, absent manifest error, be effective and binding on Subordinated MTN Holders under these terms and these terms will be construed accordingly.
- (c) Each Subordinated MTN Holder acknowledges that the Issuer may, consolidate, divide or reclassify securities so that there is a lesser or greater number of Ordinary Shares at any time in its absolute discretion without any such action requiring any consent or concurrence of any Subordinated MTN Holders.

## **7 No adjustment to Issue Date VWAP in certain circumstances**

- (a) Despite the provisions of paragraphs 5 and 6 of this Schedule A, no adjustment shall be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than one percent of the Issue Date VWAP then in effect.
- (b) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by paragraphs 5(a) and 6(a) of this Schedule A shall not in any way restrict the Issuer from issuing Ordinary Shares at any time on such terms as it sees fit nor require any consent or concurrence of any Subordinated MTN Holders.

## 8 **Announcement of adjustment to Issue Date VWAP**

The Issuer will notify Subordinated MTN Holders (an “**Adjustment Notice**”) of any adjustment to the Issue Date VWAP under this Schedule A within 10 Business Days of the Issuer determining the adjustment and the adjustment set out in the announcement will be final and binding.

## 9 **Ordinary Shares**

Each Ordinary Share issued or arising upon Conversion of a Subordinated MTN (or portion thereof):

- (a) is issued fully paid in consideration of the application of the relevant Nominal Amount (or portion thereof) in accordance with paragraph 1(b)(i) of Schedule A; and
- (b) ranks *pari passu* with all other fully paid Ordinary Shares.

## 10 **Listing Ordinary Shares issued on Conversion**

- (a) The Issuer, at its cost:
  - (i) must use reasonable endeavours to list the Ordinary Shares issued upon Conversion of the Subordinated MTNs on the Australian Securities Exchange; and
  - (ii) in the case of Conversion on account of a Non-Viability Trigger Event must use reasonable endeavours to, and in the case of a Holder Conversion must, procure that the Ordinary Shares issued upon Conversion are able to be freely traded after their issue date on the Australian Securities Exchange in compliance with all requirements of the Corporations Act, all other applicable laws and the ASX Listing Rules without requirement for further disclosure or other action by any Subordinated MTN Holder or persons to whom its shares are issued (except in case of applicable law other than Chapter 6D of the Corporations Act, to the extent that a restriction on trading is attributable to the particular circumstances of the Foreign Holder and is not otherwise within the control of the Issuer).
- (b) The Subordinated MTN Holder agrees not to trade Ordinary Shares issued on Conversion (except as permitted by the Corporations Act, other applicable laws and the ASX Listing Rules) until the Issuer has taken such steps as are required by the Corporations Act, other applicable laws and the ASX Listing Rules for the shares to be freely tradeable without such further disclosure or other action.

## Form of Pricing Supplement (MTNs)

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The Pricing Supplement that will be issued in respect of each Tranche will be substantially in the form set out below.

Series No.: [            ]

Tranche No.: [           ]

### Insurance Australia Group Limited (ABN 60 090 739 923)

### A\$2,500,000,000 Debt Issuance Programme

Issue of  
[Aggregate Principal Amount of Tranche] [Title of MTNs]

The date of this Pricing Supplement is [    ]

This Pricing Supplement (as referred to in the Information Memorandum in relation to the above Programme) relates to the Tranche of MTNs referred to above. It is supplementary to, and should be read in conjunction with the MTN Deed Poll dated on or about 27 October 2023 made by the Issuer.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the MTNs or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

**[MiFID II product governance/Professional investors and ECPs only target market –** Solely for the purposes of [the/each] manufacturer[s’/s] product approval process, the target market assessment in respect of the MTNs has led to the conclusion that: (i) the target market for the MTNs is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the MTNs to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the MTNs (a “**distributor**”) should take into consideration the manufacturer[’s/s] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the MTNs (by either adopting or refining the manufacturer[’s/s] target market assessment) and determining appropriate distribution channels.]

**[UK MiFIR product governance / Professional investors and ECPs only target market –** Solely for the purposes of [the/each] manufacturer[s’/s] product approval process, the target market assessment in respect of the MTNs has led to the conclusion that: (i) the target market for the MTNs is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the MTNs to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the MTNs (a “**distributor**”) should take into consideration the manufacturer[’s/s] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the MTNs (by either adopting or refining the manufacturer[’s/s] target market assessment) and determining appropriate distribution channels.]

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS –** The MTNs are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive



2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the MTNs or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the MTNs or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The MTNs are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the MTNs or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the MTNs or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION** – Solely for the purposes of its obligations pursuant to sections 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A(1) of the SFA) that the MTNs are “[prescribed capital markets products] / [capital markets products other than prescribed capital markets products]” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and [Excluded Investment Products]/[Specified Investment Products] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The particulars to be specified in relation to the Tranche of MTNs referred to above are as follows:

- |                                      |   |   |
|--------------------------------------|---|---|
| <b>1 Issuer</b>                      | : | Insurance Australia Group Limited<br>(ABN 60 090 739 923)   |
| <b>2 Status of Notes</b>             | : | [Senior MTN/ Subordinated MTN]  |
| <b>3 Type of Issue</b>               | : | [Syndicated Issue/Private Placement]  |
| <b>4 Public Offer Test Compliant</b> | : | It [is/is not] the Issuer’s intention that this issue of MTNs will be issued in a manner which will seek to satisfy the public offer test under section 128F of the Tax Act.        |
| <b>5 IWT Notice</b>                  | : | The Tax gross-up in respect of the Commonwealth of Australia specified in Condition 9.6 of the MTNs is [applicable/not applicable] to this Tranche with effect from the Issue Date. |
| <b>6 Relevant Dealer[s]</b>          | : | [Name]  |

- 7 **Lead Manager** : [Name(s)]
- 8 **Registrar** : [Name and address]
- 9 **Calculation Agent** : [Name and address]
- 10 **Issuing and Paying Agent (Australia)** : [Name and address]
- 11 **If to form a single Series with an existing issue, specify date on which MTNs of the Series become fungible, if not the Issue Date** : [Specify date if not Issue Date]
- 12 **Aggregate Principal Amount of Tranche** : [Specify]
- 13 **If interchangeable with existing Series** : [Specify]
- 14 **Issue Date** : [Specify]
- 15 **Purchase Price** : [Specify]
- 16 **Denomination [(subject in the case of a Subordinated MTN to reduction in principal amount due to Conversion or Write-Off)]** : [Specify amount and currency]
- 17 **Type of MTNs** : [Fixed Rate MTNs/ Floating Rate Note/Zero Coupon Note/Amortising/Other]
- 18 **If interest-bearing, specify which of Conditions 5.2 (fixed rate), 5.3 (floating rate) or 5.4 (other rates) is applicable, and then specify the matters required for the relevant Condition, namely** : [ ]
- 19 **Condition 5.2 for Fixed Rate MTNs** : Applicable [Yes/No]
- Fixed coupon amount [(subject in the case of a Subordinated MTN to reduction in principal amount due to Conversion or Write-Off)]** : [ ]
- Interest Rate** : [ ]
- Interest Commencement Date, if not Issue Date** : [ ]
- Interest Payment Dates** : [ ]
- Day Count Fraction** : (if none specified, the Day Count Fraction will be Actual/365 (Fixed) (as defined in the Terms and Conditions)).
- Initial Broken Amount** : [ ]
- Final Broken Amount** : [ ]

**20 Condition 5.3 for Floating Rate MTNs** : Applicable [Yes/No]

**Interest Commencement Date, if not Issue Date** : [     ]

**Interest Rate** : [Specify if ISDA Determination or Screen Rate Determination] (condition 5.3(b)(i))

**Interest Payment Dates** : [     ]

**Business Day Convention** : [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]

[Complete the following if Condition 5.3(b)(i) applies (ISDA Determination)]

**Floating Rate Option** : [     ]

**Designated Maturity** : [     ]

**Reset Date** : [     ]

**Period End Date** : [     ]

[Complete the following if Condition 5.3(b)(ii) (BBSW Determination) applies]

**Manner in which the Interest Rate and Additional Interest Amount is to be determined** : [BBSW Rate Determination/AONIA Rate Determination]

**Benchmark Rate** : [BBSW Rate/AONIA Rate]

**Relevant Financial Centre** : [If none is specified, the city most closely connected with the Reference Rate in the determination of the Calculation Agent]

**Interest Determination Date** : [     ]

[The following whether Condition 5.3(b)(i) (ISDA Determination) or 5.3(b)(ii) (BBSW Determination) applies]

**Margin** : [     ] (state whether positive or negative)

**Minimum/Maximum Interest Rate** : [     ]/[not applicable]

**Day Count Fraction** : [     ]

**Fallback Interest Rate** : [     ]

- 21 Condition 5.4 for other rates** : Applicable: [Yes/No]  
[specify full interest determination provisions, including Interest Commencement Date, rate or calculation basis for interest or actual amounts of interest payable, amount and dates for payment, minimum/maximum rates]
- 22 Accrual of interest** : Specify any change to Condition 5.5(d) regarding accrual of interest: [ ]
- 23 Default Rate** : In the case of interest-bearing MTNs, specify rate of interest applying to overdue amounts: [ ]
- 24 Amortisation Yield** : In the case of Zero Coupon MTNs, specify the Amortisation Yield (Condition 5.6): [ ]
- 25 Specify if Condition 5.7 is applicable** : [ ]
- 26 Maturity Date** : [ ] [In the case of an amortising Note, insert the date on which the last instalment of principal is payable]
- 27 Maturity Redemption Amount** : [ ] [If Maturity Redemption Amount is not the outstanding principal amount of the MTNs, insert amount or full calculation provisions.]
- 28 Early Redemption Amount or Resale Amount (Call)** :
- Specify if Condition 6.4 is applicable** : Applicable [Yes/No]
- Specify the day on which the call for redemption or Resale can be made (Subordinated MTNs only)** : [ ]
- Specify minimum notice period for the exercise of the call option for redemption or Resale** : [ ]
- Specify maximum notice period for the exercise of the call option for redemption or Resale** : [ ]
- Specify any relevant conditions to exercise of option** : [ ]
- Specify whether redemption or Resale at the Issuer's option is permitted in respect of some only of the MTNs and, if so, any minimum aggregate principal amount and the means by which MTNs will be selected for redemption or Resale** : [ ]

- Specify if MTN Holders are not to receive accrued interest on early redemption or Resale at the option of the Issuer : [       ]
- 29 Early Redemption Amount (Put)** :
- Specify if Condition 6.5 is applicable : Applicable [Yes/No]
- Specify minimum notice period for exercise of put option : [       ]
- Specify any relevant conditions to exercise of option : [       ]
- Specify if MTN Holders are not to receive accrued interest on early redemption at Issuer's option : [       ]
- 30 Early Redemption or Resale Amount (Tax)** :
- If Early Redemption or Resale Amount (Tax) is not the Outstanding Principal Amount together with accrued interest (if any) thereon of the MTNs (including, in the case of Subordinated MTNs any Arrears of Interest and Additional Interest Amounts), insert amount or full calculation provisions : [       ]
- Specify if MTN Holders are not to receive accrued interest on early redemption or Resale for tax reasons : [       ]
- 31 Early Redemption or Resale Amount (Regulatory) (*Subordinated MTNs only*)**
- If the Issuer cannot redeem or Resell the Subordinated MTNs with the prior written consent of APRA by giving not more than 30 nor less than 15 days' notice specify any relevant conditions to exercise the option : [       ]
- If Early Redemption Amount (Regulatory) is not the Outstanding Principal Amount together with accrued interest (including any Arrears of Interest and Additional Interest Amounts) insert amount or full calculation provisions : [       ]
- Specify if MTN Holders are not to receive accrued interest on early redemption or Resale for regulatory : [       ]

reasons

- 32 Early Termination Amount : [ ]
- If Early Termination Amount is not the Outstanding Principal Amount of the MTNs, insert amount or full calculation provisions : [ ]
- Specify if MTN Holders are not to receive accrued interest on early redemption on default : [ ]
- 33 Redemption of Zero Coupon MTNs : Specify any change to Condition 6.6
- 34 Subordinated MTN Holder Conversion (*Subordinated MTNs only*)
- Specify if Condition 6D is applicable : [ ]
- Relevant Fraction (for Holder Conversion) : [ ]
- Specify VWAP Period : [ ]
- Specify minimum notice period to exercise the Subordinated MTN Holder Conversion right : [ ]
- Specify maximum notice period to exercise the Subordinated MTN Holder Conversion right : [ ]
- Specify Holder Conversion Date : [ ]
- Specify if a partial Conversion is applicable : [ ]
- Minimum amount of Subordinated MTNs to be Converted : [ ]
- Minimum integral amount of Subordinated MTNs above the minimum amount of Subordinated MTNs to be Converted : [ ]
- If partial Conversion is applicable, the minimum aggregate Nominal Amount of Subordinated MTNs the Subordinated MTN Holder must have remaining after Conversion : [ ]
- 35 Conversion or Write-Off on a Non-Viability Trigger Event (*Subordinated MTNs only*)
- Specify if Conversion is applicable : [ ]
- If Conversion is applicable, specify the VWAP Period : [ ]

- Specify if Write-Off is applicable** : [       ]
- 36 Taxation** : Specify the additional circumstances in which an exception to the gross up obligation are to apply pursuant to Condition 9.6.
- 37 Other relevant terms and conditions** : Specify any Conditions to be altered, varied, deleted otherwise than as provided above and also any additional Conditions to be included.
- 38 ISIN** : [       ]
- 39 Common Code** : [       ]
- 40 Common Depository** : [       ]
- 41 Any Clearing System other than Euroclear/Clearstream, Luxembourg/Austraclear** : [       ]
- 42 U.S. selling restrictions** : [       ]
- 43 Other selling restrictions** : Specify any variation to the selling restrictions
- 44 Listing** : [       ]
- 45 Events of Default** : Specify any additional (or modifications to) Events of Default
- 46 Additional or alternate newspapers** : Specify any additional or alternate newspapers for the purposes of Condition 12.2(b).
- 47 Other amendments** : [       ]

**CONFIRMED**

**For and on behalf of  
Insurance Australia Group Limited**

By: .....  
[Name] Authorised Officer

Date: .....

## Subscription and Sale

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This Information Memorandum does not constitute an offer of Notes in any jurisdiction in which it would be unlawful. In particular, this Information Memorandum, any Pricing Supplement or other offering material relating to the Notes may not be distributed to any person, and the Notes may not be offered or sold, in any jurisdiction except to the extent permitted below or agreed with the Issuer and Dealers.

No action has been taken by the Issuer or the Dealers which would permit a public offering of any Notes in any jurisdiction where action for that purpose is required.

Pursuant to a Dealer Agreement, Notes will be offered by the Issuer through the Dealers. The Issuer will have the sole right to accept any such offers to purchase Notes and may reject any such offer in whole or (subject to the terms of such offer) in part. Each Dealer has the right, in its discretion reasonably exercised, to reject any offer to purchase Notes made to it in whole or (subject to the terms of such offer) in part. The Issuer is entitled under the Dealer Agreement to appoint one or more Dealers as a dealer for a particular Series or Tranche of Notes.

By its purchase and acceptance of Notes issued under the Dealer Agreement, each Dealer has agreed that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, resell, re-offer, or deliver Notes. Each Dealer has further agreed that it will not directly or indirectly offer, sell or deliver Notes or distribute the Information Memorandum, any Pricing Supplement, circular, advertisement or other offering material relating to the Notes in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

Neither the Issuer nor any of the Dealers represents that any Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

### 1. Australia

No prospectus, product disclosure document or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission (“ASIC”). Each Dealer represents and agrees that, unless the relevant Pricing Supplement otherwise provides it:

- (a) has not offered, made or invited applications, and will not offer, make or invite applications for an offer of the Notes for the issue, sale or purchase of any Notes in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, this Information Memorandum or any offering circular or memorandum, advertisement or other offering material or advertisement relating to any Notes in Australia or received in Australia,

unless in each case (i) the aggregate consideration payable by each offeree or invitee for the Notes is a minimum A\$500,000 (or its equivalent in an Alternate Currency) (disregarding moneys lent by the offeror or its associates) or the Notes are otherwise issued in a manner which does not require disclosure in accordance with Part 6D.2 or Chapter 7 of the Corporations Act; and (ii) the offer or invitation is not made to a “retail client” within the meaning of section 761G of the Corporations Act; and (iii) such action complies with all applicable Australian laws, regulations and directives in Australia (including, without limitation, the licensing requirements of Chapter 7 of the Corporations Act); and (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

In addition and unless the relevant Supplement otherwise provides, each Dealer has agreed that, in connection with the primary distribution of the Notes, it will not sell Notes to any person in circumstances where employees or officers of the Dealer directly involved in the sale know or have reasonable grounds to suspect that, as a result of such sale, any Notes (or an interest in or right in respect of the Notes) were being, or would later be, acquired either directly or indirectly by an associate of the Issuer within the meaning of section 128F(9) of the Tax Act, except as permitted by section 128F(5) of the Tax Act.



## 2. The United States of America

This Information Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to “US persons” (as defined in Regulation S under the US Securities Act of 1933 (“**US Securities Act**”)). The Notes have not been, and will not be, registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws. Accordingly, the Notes are only being offered and sold outside the United States to non-US persons in “offshore transactions” in compliance with Regulation S under the US Securities Act.

## 3. European Union

This Information memorandum has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the Notes be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (“**Prospectus Regulation**”).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Notes in the European Union is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation).

## 4. United Kingdom

Neither this Information Memorandum nor any other document relating to an offer of Notes has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“**FSMA**”)) has been published or is intended to be published in respect of the Notes.

The Notes may not be offered or sold in the United Kingdom by means of this Information Memorandum or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document may only be issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation (where the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“**FPO**”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“**relevant persons**”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

## 5. Hong Kong

This Information Memorandum has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “**SFO**”). Accordingly, this Information Memorandum may not be distributed, and the Notes may not be offered or sold, in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Notes has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes that are or are intended to be disposed

of only to persons outside Hong Kong or only to professional investors. No person allotted Notes may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. Potential investors are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## **6. Singapore**

This Information Memorandum and any other materials relating to the Notes have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Notes, may not be issued, circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA.

This Information Memorandum has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Notes being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Notes. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **7. New Zealand**

This Information Memorandum has not been registered, filed with, or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “FMC Act”) and no product disclosure statement under the FMC Act has been prepared or lodged in New Zealand in relation to the Notes.

The Notes are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## **8. Japan**

The Notes have not been, and will not be, registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (“FIEL”) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Notes may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors.

Any Qualified Institutional Investor who acquires Notes may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Notes is conditional upon the execution of an agreement to that effect.

## **9. General**

These selling restrictions may be modified by the Issuer provided that, if a Dealer has agreed to subscribe for Notes, the Issuer may not change the selling restrictions prior to the Issue Date (or, where the Notes are issued to a Dealer for the purpose of on-sale within a specified period of time, prior to the expiry of that period of time) for those Notes unless that Dealer otherwise consents or such change is required by any relevant law, regulation, directive, request or guideline having the force of law or compliance which is in accordance with the practice of responsible financial institutions in the country concerned or any change in or introduction of any of them or in their interpretation or administration. Any such modification will be set out in the Pricing Supplement issued in respect of the MTNs to which it relates or otherwise in a supplement to this Information Memorandum.

# Australian Taxation

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The following is a summary of the Australian taxation treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, the “**Australian Tax Act**”), at the date of this Information Memorandum, of payments of interest (as defined in the Australian Tax Act) on the Notes to be issued by the Issuer under the Programme and certain other matters. This summary is not exhaustive, and in particular, does not deal with the position of certain classes of holders of Notes (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of others).

Prospective holders of Notes should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that and other Series of Notes. The following is a general guide and should be treated with appropriate caution. Prospective holders of Notes should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

## 1. Interest Withholding Tax

An exemption from Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act (“**IWT**”) is available in respect of the Notes issued by the Issuer, whether in global form or otherwise, under section 128F of the Australian Tax Act if the following conditions are met:

- (a) the Issuer is a resident of Australia when it issues those Notes and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;
- (b) the Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test. In summary, the five methods are:
  - (i) offers to 10 or more unrelated persons carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
  - (ii) offers to 100 or more investors who can be regarded as (A) having acquired debentures or debt interests in the past or (B) being likely to be interested in acquiring debentures or debt interests;
  - (iii) offers of listed Notes;
  - (iv) offers via publicly available information sources; and
  - (v) offers to a dealer, manager or underwriter who offers to sell those Notes within 30 days by one of the preceding methods; and
- (c) the Notes are debentures as defined for the purposes of section 128F (but not equity interests).

In addition, the Issuer must not know, or have reasonable grounds to suspect, at the time of issue, that the Notes (or interests in those Notes) were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act.

The exemption will not apply to interest paid in respect of a Note if at the time of the payment of interest, the Issuer knows or has reasonable grounds to suspect, that the payee is an “associate” of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act.

### *Associates*

An “associate” of the Issuer for the purposes of section 128F of the Australian Tax includes:

- (i) a person or entity which holds more than 50% of the voting shares of, or otherwise controls, the Issuer;
- (ii) an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Issuer;

- (iii) a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust; and
- (iv) a person or entity who is an “associate” of another person or company which is an “associate” of the Issuer under paragraph (i) above.

However, the following are permitted associates:

- (A) onshore associates (ie Australian resident associates who do not hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia); or
- (B) offshore associates (ie Australian resident associates who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who do not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia) who are acting in the capacity of:
  - (aa) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Notes or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme; or
  - (ab) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme.

#### *Compliance with section 128F of the Australian Tax Act*

Unless otherwise specified in any Supplement, the Issuer intends to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

#### *Exemptions under certain tax treaties*

The Australian government has signed a number of double tax conventions (“**Specified Treaties**”) with certain foreign jurisdictions (each a “**Specified Country**”) that contain certain exemptions from IWT.

In broad terms, the Specified Treaties effectively prevent IWT applying to interest derived by either:

- (a) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- (b) a “financial institution” which is a resident of a Specified Country and which is unrelated to and dealing wholly independently with the Issuer. The term “financial institution” refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. (However, interest paid under a “back-to-back loan” or economically equivalent arrangement will not qualify for this exemption.)

The Specified Treaties are in force in a number of jurisdictions including, for example the United States and the United Kingdom.

#### *Payment of additional amounts*

As set out in more detail in the Terms and Conditions of the Notes and, unless expressly provided to the contrary in the relevant Supplement, if the Issuer is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia, or any political subdivision thereof or any authority therein or thereof, in respect of the MTNs, the Issuer must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of the MTNs after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required. If the Issuer is

compelled by law in relation to any MTNs to deduct or withhold an amount in respect of any withholding taxes, the Issuer will have the option to redeem or Resell those MTNs in accordance with the Terms and Conditions.

All payments in respect of STNs are subject in all cases to applicable provisions of fiscal and other laws, regulation and directives ("**Relevant Laws**"). If the Issuer or anyone making payment on its behalf is obliged by any Relevant Law to deduct or withhold any amounts from the payment otherwise due to an STN Holder, it will do so. The Issuer has no obligation or liability to reimburse or compensate or make any payment to an STN Holder for or in respect of the deducted or withheld amount.

## 2. Other Tax Matters

Under Australian laws as presently in effect:

- (a) **income tax - offshore holders of Notes** - assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes issued by the Issuer, payment of principal and interest (as defined in section 128A(1AB) of the Australian Tax Act) to a holder of the Notes, who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes;
- (b) **income tax - onshore holders of Notes** - Australian residents or non-residents of Australia who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia ("**Australian Holders**") will be assessable for Australian tax purposes on income either received or accrued to them in respect of the Notes. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular holder of Notes and the Terms and Conditions of the Notes. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;
- (c) **gains on disposal of Notes - offshore holders of Notes** - a holder of the Notes who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of Notes by a non-Australian resident holder to another non-Australian resident where the Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia should not be regarded as having an Australian source.  
  
If the gain arising on the sale of Notes has an Australian source, a holder may be eligible for relief from Australian tax on such gain under a double tax convention between Australia and the holder's country of residence in certain circumstances;
- (d) **gains on disposal of Notes - Australian holders of Notes** - Australian holders of Notes may be required to include any gain or loss on disposal of the Notes in their taxable income. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;
- (e) **deemed interest** - there are specific rules that can apply to treat a portion of the purchase price of Notes as interest for IWT purposes when certain Notes originally issued by the Issuer at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on trade or business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on trade or business at, or through, a permanent establishment in Australia. If the Notes are not issued at a discount and do not have a maturity premium, these rules should not apply to the Notes. These rules do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the Notes had been held to maturity by a non-resident;
- (f) **stamp duty and other taxes** - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of any Notes. In addition, no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the Conversion of Subordinated MTNs into Ordinary Shares as long as the Issuer is listed, all its shares are quoted on the ASX and no holder

(alone or with associates) will acquire or hold a 90% or more interest in the Issuer. In some circumstances, interests of persons who are not associates can be aggregated together in determining whether that threshold is met or exceeded;

- (g) **other withholding taxes on payments in respect of Notes** - section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia ("**Taxation Administration Act**") imposes a type of withholding tax at the rate of (currently) 47% on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number ("**TFN**"), (in certain circumstances) an Australian Business Number ("**ABN**") or proof of some other exception (as appropriate).

Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes issued by the Issuer, then the requirements of section 12-140 do not apply to payments to a holder of Notes in registered form who is not a resident of Australia for tax purposes and is not holding those registered Notes in the course of carrying on business at, or through, a permanent establishment in Australia. Payments to other classes of holders of Notes issued by the Issuer in registered form may be subject to a withholding where the holder of those Notes does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate);

- (h) **supply withholding tax** - payments in respect of the Notes can be made free and clear of the "supply withholding tax" imposed under section 12-190 of the Schedule 1 to the Taxation Administration Act;
- (i) **goods and services tax (GST)** - neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber that is a non-resident of Australia) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, would give rise to any GST liability in Australia;
- (j) **garnishee directions by the Commissioner of Taxation** – the Commissioner of Taxation of Australia may give a direction under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 of the Taxation Administration Act (or any other analogous provision under another statute) requiring the Issuer to deduct from any payment to any other entity (including any holder) any amount in respect of Australian tax payable by that other entity. If the Issuer is served with such a direction in respect of a holder, then the Issuer will comply with that direction and, accordingly, will make any deduction or withholding in connection with that direction;
- (k) **additional withholdings from certain payments to non-residents** - section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current interest withholding tax rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied that the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this Information Memorandum are not relevant to any payments in respect of the Notes. Any further regulations should also not apply to repayments of principal under the Notes, as in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of Notes will need to be monitored;
- (l) **taxation of foreign exchange gains and losses** - Divisions 775 and 960 of the Australian Tax Act contain rules to deal with the taxation consequences of foreign exchange transactions. These rules are complex and may apply to any holders of Notes who are Australian residents or non-residents that hold Notes that are not denominated in Australian dollars in the course of carrying on business in Australia. Any such holders should consult their professional advisors for advice as to how to account for any foreign exchange gains or losses arising from their holding of those Notes;
- (m) **taxation of financial arrangements** - Division 230 of the 1997 Australian Tax Act contains tax timing rules for certain taxpayers to bring to account gains and losses from "financial arrangements". The rules do not alter the rules relating to the imposition of IWT nor override the IWT exemption available under section 128F of the Australian Tax Act.

In addition, the rules generally do not apply to certain taxpayers or in respect of certain short term "financial arrangements". For instance, unless the Notes are discounted or deferred interest securities they do not, for example, apply to holders of Notes who are individuals or certain other entities (e.g.

certain superannuation entities and managed investment schemes) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their "financial arrangements". Potential holders of Notes should seek their own tax advice regarding their own personal circumstances as to whether Division 230 applies to them;

- (n) **Conversion** - the Conversion of Subordinated MTNs into Ordinary Shares should not give rise to any taxable gain or loss in Australia for Subordinated MTN Holders. This is because any gain or loss on the Conversion should generally be disregarded under the Australian Tax Act. There are a range of tax consequences which may apply to holders of Ordinary Shares, or particular holders of Ordinary Shares, in holding, acquiring or disposing of Ordinary Shares. Subordinated MTN Holders should seek their own taxation advice if their Subordinated MTNs are Converted into Ordinary Shares.



# U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard

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## FATCA

Under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”), a 30% withholding (“**FATCA withholding**”) may be required if (i)(A) an investor does not provide information sufficient for the Issuer or any other non-U.S. financial institution (“**FFI**”) through which payments on the Notes are made to determine the Holder’s status under FATCA, or (B) an FFI to or through which payments on the Notes are made is a “non-participating FFI”; and (ii) the Notes are treated as debt for U.S. federal income tax purposes and the payment is made in respect of Notes issued or modified after the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register, or the Notes are treated as equity for U.S. federal income tax purposes or do not have a fixed term, whenever issued.

FATCA withholding is not expected to apply on payments made before the date that is two years after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register.

Reporting Australian Financial Institutions (“**RAFIs**”) under the Australia–U.S. FATCA Intergovernmental Agreement dated 28 April 2014 (“**Australian IGA**”) must comply with specific due diligence procedures. In general, these procedures seek to identify account holders and provide the Australian Taxation Office (“**ATO**”) with information on financial accounts (which may include the Notes) held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the U.S. Internal Revenue Service. Consequently, Holders may be requested to provide certain information and certifications to the Issuer and to any other financial institutions through which payments on the Notes are made. A RAFI that complies with its obligations under the Australian IGA will not be subject to FATCA withholding on amounts it receives, and will not be required to deduct FATCA withholding from payments it makes, other than in certain prescribed circumstances.

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

## Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Holders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

## Directory

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### **ISSUER**

#### **Insurance Australia Group Limited**

Level 9, Tower Two, Darling Park  
201 Sussex Street  
Sydney NSW 2000  
Telephone: +61 2 9292 9222  
Attention: The Company Secretary

### **REGISTRAR**

#### **Computershare Investor Services Pty Limited**

Level 3  
60 Carrington Street  
Sydney NSW 2000  
Telephone: (02) 8234 5000  
Facsimile: (02) 8234 5050  
Attention: Fixed Interest Manager

Series No.: 5

Tranche No.: 1

**Insurance Australia Group Limited (ABN 60 090 739 923)**

**A\$2,500,000,000  
Debt Issuance Programme**

Issue of

***A\$400,000,000 Subordinated MTNs by Insurance Australia Group Limited***

The date of this Pricing Supplement is 1 November 2023.

This Pricing Supplement (as referred to in the Information Memorandum in relation to the above Programme) relates to the Tranche of MTNs referred to above. It is supplementary to, and should be read in conjunction with the MTN Deed Poll executed by the Issuer on or about 7 November 2007 (amended and restated on 22 March 2018, 4 March 2019 and further amended and restated on 27 October 2023).

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the MTNs or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The MTNs are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the MTNs or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the MTNs or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The MTNs are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial

Services and Markets Act 2000 (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the MTNs or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the MTNs or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

#### **SINGAPORE SECURITIES AND FUTURES ACT PRODUCT**

**CLASSIFICATION** – Solely for the purposes of its obligations pursuant to sections 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A(1) of the SFA) that the MTNs are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and “Excluded Investment Products” (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The particulars to be specified in relation to the Tranche of MTNs referred to above are as follows:

<b>1</b>	<b>Issuer</b>	:	Insurance Australia Group Limited (ABN 60 090 739 923)
<b>2</b>	<b>Status of Notes</b>	:	Subordinated MTNs
<b>3</b>	<b>Type of Issue</b>	:	Syndicated Issue
<b>4</b>	<b>Public Offer Test Compliant</b>	:	It is the relevant Issuer’s intention that this issue of Subordinated MTNs will be issued in a manner which will seek to satisfy the public offer test under section 128F of the Tax Act.
<b>5</b>	<b>IWT Notice</b>	:	The Tax gross-up in respect of the Commonwealth of Australia specified in Condition 9.6 is applicable to this Tranche with effect from the Issue Date.
<b>6</b>	<b>Relevant Dealers</b>	:	Barrenjoey Markets Pty Limited (ABN 66 636 976 059)  Westpac Banking Corporation (ABN 33 007 457 141)

7	<b>Lead Managers</b>	:	Barrenjoey Markets Pty Limited (ABN 66 636 976 059) Westpac Banking Corporation (ABN 33 007 457 141)
8	<b>Registrar</b>	:	Computershare Investor Services Pty Limited
9	<b>Calculation Agent</b>	:	Computershare Investor Services Pty Limited
	<b>Issuing and Paying Agent (Australia)</b>	:	Computershare Investor Services Pty Limited
10	<b>If to form a single Series with an existing issue, specify date on which all MTNs of the Series become fungible, if not the Issue Date</b>	:	Not Applicable
11	<b>Aggregate Principal Amount of Tranche</b>	:	A\$400,000,000
12	<b>If interchangeable with existing Series</b>	:	Not Applicable
13	<b>Issue Date</b>	:	8 November 2023
14	<b>Purchase Price</b>	:	100% of the Denomination per Subordinated MTN
15	<b>Denomination (subject in the case of a Subordinated MTN to reduction in principal amount due to Conversion or Write-Off)</b>	:	A\$10,000 provided that the minimum aggregate consideration payable for the Subordinated MTNs will be A\$500,000 (disregarding any monies lent by the Issuer or its Associates) unless the Subordinated MTNs are otherwise offered in a manner that does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia
16	<b>Type of MTNs</b>	:	Floating Rate Subordinated MTN
17	<b>If interest-bearing, specify which of Conditions 5.2 (fixed rate), 5.3 (floating rate) or 5.4 (other rates) is applicable, and then specify the matters</b>	:	Condition 5.3 applies (floating rate)

	<b>required for the relevant Condition, namely</b>	
<b>18</b>	<b>Condition 5.2 for Fixed Rate MTNs</b>	: Not Applicable
	<b>Fixed coupon amount (subject in the case of a Subordinated MTN to reduction in principal amount due to Conversion or Write-Off)</b>	: Not Applicable
	<b>Interest Rate</b>	: Not Applicable
	<b>Interest Commencement Date, if not Issue Date</b>	: Not Applicable
	<b>Interest Payment Dates</b>	: Not Applicable
	<b>Day Count Fraction</b>	: Not Applicable
	<b>Initial Broken Amount</b>	: Not Applicable
	<b>Final Broken Amount</b>	: Not Applicable
<b>19</b>	<b>Condition 5.3 for Floating Rate MTNs</b>	: Applicable
	<b>Interest Commencement Date, if not Issue Date</b>	: Not Applicable
	<b>Interest Rate</b>	: The aggregate of the Benchmark Rate and the Margin
	<b>Interest Payment Dates</b>	: 15 March, 15 June, 15 September and 15 December, commencing on 15 December 2023
	<b>Business Day Convention</b>	: Modified Following Business Day Convention
	<b>Condition 5.3(b)(i) (ISDA Determination)</b>	: Not Applicable
	<b>Condition 5.3(b)(ii) (BBSW Determination)</b>	: Applicable
	<b>Manner in which the Interest Rate and Additional Interest Amount is to be determined</b>	: BBSW Rate Determination
	<b>Benchmark Rate</b>	: BBSW Rate
	<b>Relevant Financial Centre</b>	: Sydney

	<b>Interest Determination Date</b>	:	The first Business Day of the Interest Period
	<b>Margin</b>	:	250 bps
	<b>Minimum/Maximum Interest Rate</b>	:	Not Applicable
	<b>Day Count Fraction</b>	:	Actual/365 (fixed)
20	<b>Condition 5.4 for other rates</b>	:	Not Applicable
21	<b>Accrual of interest</b>	:	Condition 5.5(d) regarding accrual of interest applies
22	<b>Default Rate</b>	:	Interest Rate
23	<b>Amortisation Yield</b>	:	Not Applicable
24	<b>Specify if Condition 5.7 is applicable</b>	:	Applicable
25	<b>Maturity Date</b>	:	15 December 2038
26	<b>Maturity Redemption Amount</b>	:	The Outstanding Principal Amount of Subordinated MTNs
27	<b>Early Redemption or Resale Amount (Call)</b>	:	Applicable
	<b>Specify if Condition 6.4 is applicable</b>	:	Applicable
	<b>Specify the day on which the call for redemption or Resale can be made (<i>Subordinated MTNs only</i>)</b>	:	The first, second and third Interest Payment Date to occur on or after the 5th anniversary of the Issue Date of that Subordinated MTN (being 15 December 2028, 15 March 2029 and 15 June 2029) (the third such Interest Payment Date being the “ <b>Third Initial Call Date</b> ”); and each Interest Payment Date to occur after the Holder Conversion Date (as defined below) (being 15 September 2031 and each Interest Payment Date falling thereafter) (each an “ <b>Early Redemption Date</b> ”)
	<b>Specify minimum notice period for the exercise of the call</b>	:	15 days

**option for redemption or  
Resale**

**Specify maximum notice period for the exercise of the call option for redemption or Resale** : 30 days

**Specify any relevant conditions to exercise of option** : The prior written consent of APRA has been obtained and the other conditions specified in Condition 6.4 are satisfied

**Specify whether redemption or Resale at Issuer's option is permitted in respect of some only of the MTNs and, if so, any minimum aggregate principal amount and the means by which MTNs will be selected for redemption or Resale** : No partial redemption or partial Resale is permitted

**Specify if MTN Holders are not to receive accrued interest on early redemption or Resale at the option of the Issuer** : Interest will accrue at the Interest Rate on the Outstanding Principal Amount until (but not including) the date of early redemption or Resale Date (as applicable)

**28 Early Redemption Amount (Put)** : Not Applicable

**Specify if Condition 6.5 is applicable** : Not Applicable

**Specify minimum notice period for exercise of put option** : Not Applicable

**Specify any relevant conditions to exercise of option** : Not Applicable

**Specify if MTN Holders are not to receive accrued interest on early redemption at Issuer's option** : Not Applicable

**29 Early Redemption Amount or Resale (Tax)** : Applicable

**If Early Redemption or Resale Amount (Tax) is not the Outstanding Principal Amount together with accrued interest (if any) thereon of the MTNs (including, in the case of Subordinated MTNs any** : Not applicable. Condition 6.3(a) applies



**Arrears of Interest and Additional Interest Amounts), insert amount or full calculation provisions**

- |           |   |   |   |
|-----------|---|---|---|
|           | <b>Specify if MTN Holders are not to receive accrued interest on early redemption or Resale for tax reasons</b>   | : | Interest will accrue at the Interest Rate on the Outstanding Principal Amount until (but not including) the redemption date or Resale Date calculated as if that date were an Interest Payment Date |
| <b>30</b> | <b>Early Redemption or Resale Amount (Regulatory)</b>   | : | Applicable  |
|           | <b>If the Issuer cannot redeem or Resell the Subordinated MTNs with the prior written consent of APRA by giving not more than 30 nor less than 15 days' notice specify any relevant conditions to exercise the option</b> | : | The Issuer can redeem or Resell the Subordinated MTNs with the prior written consent of APRA by giving not more than 30 nor less than 15 days' notice   |
|           | <b>Specify if MTN Holders are not to receive accrued interest on early redemption or Resale for regulatory reasons</b>  | : | Interest will accrue at the Interest Rate on the Outstanding Principal Amount until (but not including) the redemption date or Resale Date calculated as if that date were an Interest Payment Date |
| <b>31</b> | <b>Early Termination Amount</b>   | : |   |
|           | <b>If Early Termination Amount is not the outstanding principal amount of the MTNs, insert amount or full calculation provisions</b>  | : | Not Applicable  |
|           | <b>Specify if MTN Holders are not to receive accrued interest on Early Termination Amount</b>   | : | Not Applicable  |
| <b>32</b> | <b>Redemption of Zero Coupon MTNs</b>   | : | Not Applicable  |
| <b>33</b> | <b>Subordinated MTN Holder Conversion</b>   | : |   |
|           | <b>Specify if Condition 6D is applicable</b>  | : | Applicable  |

	<b>Relevant Fraction (for Holder Conversion)</b>	:	0.50
	<b>Specify VWAP Period</b>		5 Business Days immediately prior to the Trigger Event Date or 20 Business Days immediately prior to a Holder Conversion Date if a MTN Holder gives a Holder Conversion Notice
	<b>Specify minimum notice period to exercise the Subordinated MTN Holder Conversion right</b>	:	21 Business Days
	<b>Specify maximum notice period to exercise the Subordinated MTN Holder Conversion right</b>	:	30 Business Days
	<b>Specify Holder Conversion Date</b>	:	The Holder Conversion Date is the first Interest Payment Date on or after the date that is 2 years after the Third Initial Call Date (being 15 June 2031)
	<b>Specify if a partial Conversion is applicable</b>	:	Not Applicable
	<b>Minimum amount of Subordinated MTNs to be Converted</b>	:	Not Applicable
	<b>Minimum integral amount of Subordinated MTNs above the minimum amount of Subordinated MTNs to be Converted</b>	:	Not Applicable
	<b>If partial Conversion is applicable, the minimum aggregate Nominal Amount of Subordinated MTNs the Subordinated MTN Holder must have remaining after Conversion</b>	:	Not Applicable
34	<b>Conversion or Write-Off on a Non-Viability Trigger Event</b>	:	
	<b>Specify if Conversion is applicable</b>		Applicable
	<b>If Conversion is applicable, specify the VWAP Period</b>	:	5 Business Days

	<b>Specify if Write-Off is applicable</b>	:	Not Applicable
35	<b>Taxation</b>	:	Condition 9.6 is applicable. There are no additional circumstances in which an exception to the gross up obligation are to apply pursuant to Condition 9.6
36	<b>Other relevant terms and conditions</b>	:	None
37	<b>ISIN</b>	:	AU3FN0082640
38	<b>Common Code</b>	:	271504926
39	<b>Common Depository</b>	:	Not Applicable
40	<b>Any Clearing System other than Euroclear/Clearstream, Luxembourg/Austraclear</b>	:	For the purposes of Condition 6F.1(ii), CHESSE, and otherwise, none
41	<b>U.S. selling restrictions</b>	:	See Information Memorandum
42	<b>Other selling restrictions</b>	:	See Information Memorandum
43	<b>Listing</b>	:	None
44	<b>Events of Default</b>	:	There are no additional (or modifications to) Events of Default
45	<b>Additional or alternate newspapers</b>	:	None
46	<b>Other amendments</b>	:	None

**CONFIRMED**

**For and on behalf of Insurance Australia Group Limited**  
under power of attorney dated 27 June 2018:

DocuSigned by:  
By: Mark Gold  
A7BD7E9C5D4D412...  
Name: Mark Gold

DocuSigned by:  
By: Alan Cazalet  
E123BA2B21E6427...  
Name: Alan Cazalet