

2 January 2014

Manager, Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## **INSURANCE AUSTRALIA GROUP LIMITED ('IAG') SHARE PURCHASE PLAN**

Please find attached a booklet providing details of the Share Purchase Plan (SPP) that was announced by IAG on 16 December 2013.

The SPP will enable shareholders to purchase up to \$15,000 worth of IAG ordinary shares without brokerage and transaction costs at an issue price which is the lesser of:


- the price institutional investors paid in the institutional placement, which was A\$5.47 per Share, equating to a 4% discount to the closing price of existing IAG shares on 13 December 2013; or
- a 2% discount to the five day volume weighted average price of IAG ordinary shares traded on the ASX up to and including the closing date of the SPP (24 January 2014).

Key dates for the SPP are:

<b>Opening Date for the SPP</b>	<b>6 January 2014</b>
<b>Closing Date for the SPP</b>	<b>24 January 2014</b>
<b>Issue date for shares</b>	<b>3 February 2014</b>
<b>Share trading date</b>	<b>4 February 2014</b>

Mailing of the SPP booklet and a personalised Application Form to eligible shareholders will commence today. A copy of the booklet will be available on IAG's website ([www.iag.com.au](http://www.iag.com.au)).

Yours sincerely



Chris Bertuch  
**Group General Counsel & Company Secretary**

Insurance Australia  
Group Limited  
ABN 60 090 739 923

388 George Street  
Sydney NSW 2000  
Australia

T +61 (0)2 9292 9222  
[www.iag.com.au](http://www.iag.com.au)

# SHARE PURCHASE PLAN

Insurance Australia Group Limited ABN 60 090 739 923

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This is an important document offering Eligible Shareholders the opportunity to buy up to A\$15,000 worth of IAG ordinary shares without brokerage or transaction costs. If you are unsure about what to do, please contact your professional adviser without delay. If you have any questions about the Share Purchase Plan after reading this booklet, please call the IAG Share Purchase Plan Information Line on 1300 666 635 (or, if you are eligible to apply for new Shares under the Share Purchase Plan and are calling from outside Australia please call +61 3 9415 4194). The distribution of this document (including electronic copies) outside Australia and New Zealand may be restricted by law.

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2 January 2014

Dear Shareholder

On behalf of the Directors of Insurance Australia Group Limited (IAG), I am pleased to offer you the opportunity to participate in a Share Purchase Plan (SPP), allowing you to spend up to A\$15,000 to purchase IAG ordinary shares (Shares) (subject to any scale back at IAG's discretion) without incurring brokerage or transaction costs. The SPP proceeds will be capped at A\$200 million.

IAG recently conducted a fully underwritten placement of Shares to institutional investors, raising A\$1.2 billion (Placement). Funds raised under the SPP and the Placement will be used to partially fund the acquisition of Wesfarmers' insurance underwriting businesses in Australia and New Zealand, which was announced on 16 December 2013. The balance of the acquisition will be funded through internal resources and subordinated debt. The acquisition supports IAG's strategic priorities of accelerating profitable growth in Australia and sustaining our market-leading position in New Zealand, and we expect it to deliver significant long term value for IAG shareholders.

The SPP gives you the opportunity to increase your IAG shareholding at a price (Issue Price) which is the lesser of:

- the price institutional investors paid in the Placement, which was A\$5.47 per Share, equating to a 4% discount to the closing price of existing IAG shares on 13 December 2013; or
- a 2% discount to the five day volume weighted average price of IAG ordinary shares traded on the ASX up to and including the closing date of the SPP (24 January 2014).

Participation in the SPP is entirely voluntary. If you are an Eligible Shareholder (defined in the enclosed Terms and Conditions), you may participate by applying to purchase a parcel of Shares from a minimum of A\$1,000 up to a maximum of A\$15,000 (Parcel), without incurring brokerage or transaction costs, or you may do nothing. Subject to the Scaleback referred to below, the number of Shares allocated to you will be the cost of the Parcel you apply and pay for divided by the Issue Price and rounded down to the nearest whole number.

Once the Issue Price has been determined, it may be the case that the money you have sent us is slightly more than the cost of your Share allocation, but less than the cost of another single Share. In that case we will donate the residual application money of the Parcel you applied for to a charity or charities nominated by IAG.

IAG has the absolute discretion to scale back applications. If the total value of applications for Shares under the SPP is more than A\$200 million, IAG may undertake a Scaleback. IAG may take into account, among other factors, the size of an applicant's Shareholding in determining the amount (if any) by which to scale back that applicant's application. Should this occur, you may be allocated Shares to a value which is less than the Parcel for which you applied and the difference will be refunded to you without interest.

You should be aware that the future market price of IAG shares is uncertain and may rise or fall. This means the price you pay for Shares under the SPP may be either higher or lower than the price of IAG ordinary shares trading on the ASX at the time Shares are issued to you under the SPP.

The SPP offer opens at 9.00am (Sydney time) on 6 January 2014. If you are an Eligible Shareholder and wish to participate in the offer, you may apply for a parcel of A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000 or A\$15,000. Please ensure you send your payment (whether by BPAY®, cheque, bank draft or money order) and Application Form (if paying by cheque, bank draft or money order), allowing enough time for mail delivery, to be received by 5.00pm (Sydney time) on 24 January 2014.

Full details of the SPP are set out in the enclosed Terms and Conditions and Application Form. I encourage you to read the Terms and Conditions carefully and in its entirety before making a decision on whether to participate in the SPP.

This letter and the Terms and Conditions are not financial advice, and have been prepared without taking into account the objectives, financial situation or the needs of individuals. Before making an investment decision, you should consider seeking independent legal, financial and/or taxation advice as necessary or appropriate.

If you have any questions regarding the SPP, please call the IAG Share Purchase Plan Offer Information Line between 8.30am and 5.30pm (Sydney time) Monday to Friday on 1300 666 635 (from within Australia) or +61 3 9415 4194 (outside Australia).

On behalf of the Directors, I invite you to consider this opportunity to increase your investment in IAG.

Yours sincerely



Brian Schwartz AM  
Chairman

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## KEY DATES\*

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### 13 December 2013 - Record Date 7.00pm (Sydney time)

The date on which IAG determined the identity of Eligible Shareholders.

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### 6 January 2014 - Opening Date

The date on which the SPP opens.

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### 20-24 January 2014 - Pricing Period

The dates during which the Issue Price for the Shares is determined.

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### 24 January 2014 - Closing Date

The date on which the SPP closes. Applications must be received by 5.00pm (Sydney time).

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### 30 January 2014 - Scaleback

The date on which any Scaleback is announced.

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### 3 February 2014 - Issue Date

The date on which Shares are issued.

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### 4 February 2014 - Share Trading Date

The date when Shares issued under the SPP begin trading on the ASX.

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### 6 February 2014 - Despatch Date

The date when transaction confirmations are expected to be sent to Shareholders.

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### **\*Insurance Australia Group Limited has the discretion to alter some Key Dates.**

The above timetable refers to dates and times in Sydney, Australia, is indicative only and is subject to change. IAG reserves the right, subject to the ASX Listing Rules and the *Corporations Act 2001* (Cth), to alter the above dates at its discretion, without prior notice, including extending the Closing Date or accepting late applications, either generally or in particular cases, or to withdraw the SPP without prior notice. Applicants are encouraged to submit their application forms as soon as possible. No cooling-off rights apply to applications submitted under the SPP. The commencement of quotation of Shares issued under the SPP is subject to confirmation from the ASX.

Neither this document nor the application form may be distributed to persons in the United States. These materials do not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States. The Shares to be offered and sold in the SPP have not been, and will not be, registered under the US Securities Act of 1933, as amended (US Securities Act) or under the securities laws of any state or other jurisdiction of the United States, and may be offered and sold solely to persons who are outside the United States and are not acting for the account or benefit of any person in the United States, in "offshore transactions" (as defined in Regulation S under the US Securities Act) in compliance with Regulation S under the US Securities Act.

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## INSTRUCTIONS

- If you are an Eligible Shareholder and would like to participate in the SPP, follow the step-by-step instructions on the back of the enclosed application form (Application Form).
- To participate, you can make a payment by BPAY® or complete the Application Form and provide a cheque or money order in accordance with the instructions on the Application Form.
- BPAY® customers must use the Customer Reference Number (CRN) shown on the Application Form, which is required to identify your holding. **If you make your payment with BPAY® you do not need to return your Application Form.**
- Cheques and money orders must be made payable to "IAG Share Purchase Plan" and sent with an Application Form in the pre-addressed envelope enclosed to Insurance Australia Group Limited, c/- Computershare Investor Services Pty Limited, GPO BOX 505, Melbourne Victoria 3001, Australia. New Zealand holders wishing to participate in this offer will need to affix the appropriate postage.
- All payments and applications must be received no later than **5.00pm (Sydney time) on 24 January 2014.**
- **You will not be able to withdraw or revoke your application or BPAY® payment once you have sent it in.**

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# TERMS AND CONDITIONS

**IMPORTANT NOTICE: If you apply to participate in the SPP by completing and returning the Application Form or making a BPAY® payment, you are accepting the risk that the market price of Shares may change between the Record Date, the date on which you send in an Application Form or make a BPAY® payment and the Issue Date. This means it is possible that, up to or after the Issue Date, you may be able to buy Shares at a lower price than the Issue Price of Shares under this SPP.**

**We encourage you to seek your own professional advice regarding your participation in the SPP.**

## 1 Offer timetable

- 1.1 This offer is dated, and taken to be made on, 2 January 2014.
- 1.2 The SPP opens on 6 January 2014 and closes at 5.00pm (Sydney time) on 24 January 2014. Payment by BPAY® or Application Forms accompanied by cheques or money orders may not be processed or may not be valid if they have not been received by IAG by this time.
- 1.3 Shares are proposed to be issued on 3 February 2014.
- 1.4 Any reduction in the number of Shares to be issued under the SPP will be announced on 30 January 2014. This could occur if IAG receives applications for more than A\$200 million worth of Shares under the SPP (Scaleback). See section 6 for more information on how a Scaleback would work.
- 1.5 On or around 6 February 2014 IAG expects to send a transaction confirmation and, if applicable, a direct credit deposit to your nominated bank account or refund cheque as a result of a Scaleback being applied to your application.
- 1.6 IAG expects the Shares will commence trading on the ASX on 4 February 2014.
- 1.7 IAG can change, at any time, the timetable (even if the offer has opened, or BPAY® or Application Forms have been received) by lodging a revised timetable with the ASX.
- 2.3 For the purposes of determining eligibility, joint holders of Shares are taken to be a single registered holder of Shares and the certification on the Application Form is taken to have been given by all joint holders.
- 2.4 If you are a custodian within the definition of “custodian” in Australian Securities and Investments Commission (ASIC) Class Order [CO 09/425] (Custodian) and hold Shares on behalf of one or more persons (each a Participating Beneficiary), or on behalf of a “downstream custodian” within the definition of ASIC Class Order [CO 09/425] who holds the beneficial interest in Shares on behalf of a Participating Beneficiary, you may apply for up to a maximum of A\$15,000 worth of Shares for each Participating Beneficiary, provided that each Participating Beneficiary is not in the United States and is not acting for the account or benefit of a person in the United States. This is subject to you providing IAG with a notice in writing certifying the matters set out in paragraph 9 of ASIC Class order [CO 09/425] (the Custodian Certificate). If a Custodian applies for Shares on behalf of a Participating Beneficiary, IAG will not issue Shares unless the Custodian Certificate is received before the Closing Date. Custodians should request a pro forma Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate, and for further information on how to apply, please contact Computershare Investor Services Pty Limited, on 1300 666 635 (from within Australia) or +61 3 9415 4194 (from overseas), between Monday to Friday, 8.30am - 5.30pm (Sydney time). If you are not a Custodian, the rules for multiple single holdings apply and you may only contribute a maximum of A\$15,000 in applying for Shares. Custodians may only participate on behalf of persons who are resident in Australia or New Zealand or such other country as IAG may permit. Shareholders who hold Shares on behalf of persons who reside outside Australia or New Zealand, are in the United States, or are acting for the account or benefit of a person in the United States, are not entitled to participate in the SPP on behalf of those persons. A trustee, nominee or custodian must not participate in the SPP on behalf of, nor distribute this document or any other document relating to the SPP to, any person in the United States. Failure to comply with these restrictions may result in violations of applicable securities laws.

## 2 Eligible Shareholders

- 2.1 You are an Eligible Shareholder and may participate in the SPP if you were a registered holder of Shares with an address in Australia or New Zealand at 7.00pm (Sydney time) on 13 December 2013 unless:
  - a) you hold Shares on behalf of another person who resides outside Australia or New Zealand; or
  - b) you are in the United States, or acting for the account or benefit of a person in the United States,in which case you will not be eligible to participate in respect of the Shares of that person. Directors and employees of IAG may be Eligible Shareholders.
- 2.2 In accordance with relevant New Zealand securities law, a person who, on the Record Date was registered as a holder of Shares with a New Zealand address but who, as at the time of this offer no longer holds Shares, is not eligible to participate in the SPP.

- 2.5 If you are an Eligible Shareholder, your rights under this offer are personal to you and non-renounceable, so you may not transfer them.

### 3 Applications for Shares

#### Limitations on applications

- 3.1 If you are an Eligible Shareholder, you may apply to spend the amount you select on the Application Form to purchase Shares.
- 3.2 This Parcel may be subject to rounding and a Scaleback (see sections 5 & 6 for further detail).
- 3.3 Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold Shares in more than one capacity or under separate holder numbers) may apply on different Application Forms for more than one Parcel, but must not apply for more than A\$15,000 of Shares.

#### Completing the Application Form and paying for Shares

- 3.4 If you would like to participate in the SPP, you must:
- (a) make payment by B<sub>PAY</sub><sup>®</sup>; or
  - (b) complete the Application Form and provide a cheque or money order, in accordance with the instructions on the Application Form.

Please note that:

- (a) faxed or emailed Application Forms will not be accepted; and
- (b) no other form or letter containing instructions will be accepted.

#### IAG's discretion regarding applications

- 3.5 IAG may accept or reject applications to buy Shares under the SPP, including (but not limited to) cases where:
- (a) an Application Form is incorrectly completed, incomplete or otherwise determined by IAG to be invalid;
  - (b) a cheque is dishonoured or has not been completed correctly;
  - (c) a cheque or money order is not made out for the exact amount selected on the Application Form;
  - (d) a B<sub>PAY</sub><sup>®</sup> payment is not received, or is incomplete or invalid;
  - (e) an applicant appears to be buying more than A\$15,000 of Shares (in aggregate) at the Issue Price;
  - (f) an Application Form is received after the Closing Date. While IAG has discretion to accept late B<sub>PAY</sub><sup>®</sup> payments, Application Forms and cheques or money orders, there is no assurance that it will do so. Late B<sub>PAY</sub><sup>®</sup> payments may be refunded and Application Forms with payments, if not processed, may be returned to you at your registered address; or
  - (g) IAG believes an applicant is not an Eligible Shareholder (subject to compliance with any applicable ASIC or ASX requirements).

If IAG receives an amount that is not equal to any of the Parcel sizes noted in the Chairman's letter and shown on the Application Form, IAG will round down the dollar amount of Shares that you are applying for to the next lowest Parcel or, if IAG receives less than A\$1,000, reject your application and refund any monies that are not used to purchase Shares, without interest, on or around 6 February 2014.

#### Interest

- 3.6 No interest will be paid on any application money returned to you.

#### Significance of sending in an application and Applicant Representations

- 3.7 If you apply to participate in the SPP by submitting a B<sub>PAY</sub><sup>®</sup> payment or completing and returning the Application Form, you will be deemed to have represented, warranted and agreed as follows:
- (a) you acknowledge that you, and each person for whose account or benefit you are acting, are an Eligible Shareholder, and represent and warrant that you are not in the United States and are not acting for the account or benefit of a person in the United States, or otherwise a person to whom it would be illegal to make an offer or issue Shares under the SPP, and agree to provide (and direct your nominee or Custodian to provide) any requested substantiation of your eligibility to participate in the SPP and of your holding of Shares on the Record Date;
  - (b) unless you are a Custodian, and you have or will submit a Custodian Certificate before the Issue Date, you confirm that you have not applied for more than A\$15,000 of Shares under the SPP and any similar arrangement in the 12 months prior to your application, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
  - (c) you agree that your application is made on the terms and conditions (Terms and Conditions) of the SPP set out in this booklet and the Application Form;
  - (d) you accept that you will not be able to withdraw or revoke your application or B<sub>PAY</sub><sup>®</sup> payment once you have sent it and it is received;
  - (e) you authorise IAG (and its officers or agents) to correct any minor error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;
  - (f) you acknowledge that IAG may at any time determine that your Application Form is valid, in accordance with the Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
  - (g) you accept the risk associated with any refund that may be sent to you by direct credit to your nominated account or cheque to your address shown on IAG's register;

- (h) you are responsible for any dishonour fees or other costs IAG may incur in presenting a cheque for payment which is dishonoured;
- (i) you acknowledge that neither IAG nor Computershare Investor Services Pty Limited has provided you with taxation, investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for and buy Shares under the SPP;
- (j) you acknowledge that IAG is not liable for any exercise of its discretions referred to in these Terms and Conditions;
- (k) you understand and acknowledge that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, and accordingly that the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (l) if in the future you decide to sell or otherwise transfer the Shares, you will only do so in transactions exempt from, or not subject to, the registration requirements of the US Securities Act; notwithstanding the foregoing, after the quotation of the Shares commences, you may sell such Shares in regular way transactions on the ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or acting for the account or benefit of a person in the United States;
- (m) you have not sent, and you agree not to send, any materials relating to the SPP to any person in the United States;
- (n) you irrevocably and unconditionally agree to (and to be bound to) the Terms and Conditions, the Application Form, IAG's constitution and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP;
- (o) you declare that you are at least 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form; and
- (p) you authorise IAG to register you as the holder(s) of Shares issued to you.

#### 4 Issue Price

- 4.1 You agree to pay the Issue Price per Share for the amount of Shares you have selected on the Application Form.
- 4.2 The Issue Price will be the lower of the A\$5.47 price per share paid by institutional investors in the Placement, and a 2% discount to the five day volume weighted average price of IAG ordinary shares traded on the ASX up to and including the Closing Date.

- 4.3 You should note that the IAG share price may rise or fall between the Record Date, the date of this offer, the date on which you make a BPAY® payment or send in an Application Form and the date when Shares are issued to you under the SPP. This means that the price you pay per Share pursuant to this offer may be either higher or lower than the prevailing IAG share price, up to or after the date the Shares are issued to you under the SPP and you therefore may be able to buy Shares at a lower price on market than the ultimate issue price under the SPP.
- 4.4 IAG recommends that you monitor the IAG share price and any IAG announcements, which can be found on the IAG website at [www.iag.com.au](http://www.iag.com.au) or on the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX code: IAG). The IAG share price can also be found in the financial pages of major Australian metropolitan newspapers.
- 4.5 IAG encourages you to contact your professional adviser regarding whether or not to participate in the SPP and how much to invest.

#### 5 Rounding of Shares

- 5.1 If you apply for Shares under this SPP you will apply to spend a certain amount to purchase Shares rather than a precise number of Shares. Subject to these Terms and Conditions the number of Shares you are issued with will be determined by:
  - (a) if there is no Scaleback applied to your application, dividing the cost of the Parcel of Shares you have applied and paid for by the Issue Price; or
  - (b) if there is a Scaleback applied to your application, dividing the cost of Shares you have been issued with by the Issue Price.
- 5.2 If this calculation produces a fractional number, the number of Shares you will be issued with will be rounded down to the nearest whole number.

#### 6 Scaleback

- 6.1 If IAG receives applications for more than A\$200 million worth of Shares, it may at its absolute discretion undertake a Scaleback to the extent and in the manner that it sees fit. IAG may take into account, among other factors, the size of an applicant's Shareholding in determining the amount (if any) by which to scale back that applicant's application.
- 6.2 If there is a Scaleback you may not receive the full Parcel of Shares for which you have applied. If a Scaleback produces a fractional number when applied to your Parcel, the number of Shares you will be issued with will be rounded down to the nearest whole number of Shares.
- 6.3 In the event of a Scaleback the difference between the cost of the Shares you are issued with (calculated at the Issue Price) and the amount you have paid to IAG, will be refunded to you by direct credit or cheque on or around 6 February 2014.

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## 7 Donation to Charity

If no Scaleback is applied to your application, your allocation of Shares will be rounded down to the nearest whole number of Shares and the residual amount will be donated to one or more charities nominated by IAG. The donated amount per application will always be less than the Issue Price for one Share.

## 8 The Shares

Shares issued under the SPP will rank equally with existing Shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements.

## 9 Waiver of compliance and withdrawal of the offer

- 9.1 IAG reserves the right to waive compliance with any provision of these Terms and Conditions.
- 9.2 IAG reserves the right to withdraw the offer at any time up to the Issue Date.

## 10 Compliance

This offer of Shares under the SPP is made in accordance with the requirements of ASIC Class Order [CO 09/425] and the Securities Act (Overseas Companies) Exemption Notice 2013.

## 11 Governing Law

These Terms and Conditions are governed by the laws in force in New South Wales and are to be interpreted in accordance with their spirit, intention and purpose.

## 12 Underwriting

The SPP will not be underwritten.

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# DIRECTORY

### Registered office

Insurance Australia Group Limited  
Level 26, 388 George Street  
Sydney NSW 2000  
[www.iag.com.au](http://www.iag.com.au)

SPP information line 1300 666 635 (within Australia)  
or +61 3 9415 4194 (from overseas)

### Legal Advisers

Minter Ellison  
Aurora Place, 88 Phillip Street  
Sydney NSW 2000

### Share Registry

Computershare Investor Services Pty Limited  
GPO BOX 505  
Melbourne Victoria 3001  
Australia





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000001  
000  
SAM  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Share Purchase Plan (SPP) Application Form

 **If you want to participate in the SPP, your payment must be received by 5.00pm (Sydney time) 24 January 2014**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser without delay.

This application form does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The securities have not been, and will not be, registered under the US Securities Act of 1933 (the Securities Act), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities may not be offered or sold, directly or indirectly, in the United States. This application form must not be distributed to, or relied upon or completed by, persons in the United States or who are acting for the account or benefit of persons in the United States (including nominees or custodians who hold on behalf of persons in the United States).

By returning the slip overleaf with payment to the registry, or by making payment by BPAY<sup>®</sup>, you represent, warrant, and acknowledge that:

- You have read and understood the SPP Booklet dated 2 January 2014 (Offer Booklet) and SPP Terms and Conditions and that you make the representations and warranties and agree to the terms and conditions set out therein; and

### Step 1: Registration Name

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

### Step 2: Make Your Payment

Note that IAG ordinary shares (Shares) may be purchased in the parcels shown overleaf subject to purchase of the minimum value and not exceeding the maximum value. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

IAG may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application. Any determinations by IAG will be conclusive and binding on all eligible shareholders and other persons to whom the determination relates.

- You are (and if you are acting as a custodian, trustee or nominee, each beneficial holder on whose behalf you are participating is) in Australia or New Zealand and not in the United States, and not acting for the account or benefit of a person in the United States, and you have not sent any offering materials relating to the SPP to any such person.

By making payment you agree to be bound by the Constitution of Insurance Australia Group Limited (IAG) and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Shares on the terms of the SPP set out in the Offer Booklet.

In addition, by submitting the slip overleaf or by making a BPAY<sup>®</sup> payment you certify that the aggregate of the application price paid by you for:

- the shares the subject of your application; and
- any other shares in the class applied for by you under the SPP or any similar arrangement (including as a result of a custodian applying on your behalf for Shares) in the 12 months prior to the date of submission of the slip below does not exceed A\$15,000.

IAG reserves the right to waive strict compliance with any provision of the SPP Terms and Conditions, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all eligible shareholders even where IAG does not notify you of that event.

Choose one of the payment methods shown below.

**BPAY<sup>®</sup>:** See overleaf. Do not return the slip with BPAY<sup>®</sup> payment.

**By Mail:** Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque or bank draft payable in Australian dollars to IAG Share Purchase Plan. The cheque must be drawn from an Australian bank. Cash is not accepted.


Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your application being rejected. Paperclip (do not staple) your payment to the slip overleaf. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

# Share Purchase Plan Application Form

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## STEP 1 Registration Name & SPP Details

 For your security keep your SRN/HIN confidential.

Registration Name: **MR SAM SAMPLE**  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

Entitlement No: 12345678

SPP Details: Record date: **7.00pm (Sydney time) 13 December 2013**  
Minimum value available to purchase: **A\$1,000**  
Maximum value available to purchase: **A\$15,000**

## STEP 2 Make Your Payment



Billers Code: 227660  
Ref No: 1234 5678 9123 4567 89

### Pay by Mail:



Make your cheque, money order or bank draft payable to IAG Share Purchase Plan. Return your payment with the below slip:

**Computershare Investor Services Pty Limited**  
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account via BPAY®. Note that payments via credit card will not be accepted.

### Lodgement of Acceptance

If you are applying for Shares and your payment is being made by BPAY®, you do not need to return the slip below.

Your payment must be received by no later than 5.00pm (Sydney time) on 24 January 2014. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor IAG accepts any responsibility for loss incurred through incorrectly completed BPAY® payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time. If you are paying by cheque, bank draft or money order the slip below must be received by CIS by no later than 5.00pm (Sydney time) on 24 January 2014. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders (as defined in the Offer Booklet) will need to affix the appropriate postage. Return this slip with your payment attached. Neither CIS nor IAG accepts any responsibility if you lodge the slip below at any other address or by any other means.

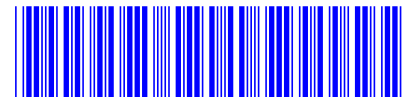
### Privacy Statement

Personal information is collected on this form by CIS as registrar for the securities issuer (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001 (Cth), you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS using the details provided above or email [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

[Detach here](#)

### Purchase Details for Shares (choose one option):

A\$1,000 worth of Shares    OR     A\$2,500 worth of Shares    OR     A\$5,000 worth of Shares  
 A\$7,500 worth of Shares    OR     A\$10,000 worth of Shares    OR     A\$15,000 worth of Shares



Entitlement No: 12345678

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

Payment must be received by 5.00pm (Sydney time) 24 January 2014

### Contact Details

Contact Name \_\_\_\_\_ Daytime Telephone \_\_\_\_\_

### Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

+00000000368754> +001697+ <0000879254> <0000090049> +444+