



Notice of Meeting 2020  
**Insurance Australia Group Limited**

ABN 60 090 739 923

**10.00am on Friday, 23 October 2020**





# Dear shareholder

I am pleased to invite you to participate in the 2020 Annual General Meeting (**AGM** or **Meeting**) of Insurance Australia Group Limited (**IAG** or the **Company**).



The AGM will be held on Friday, 23 October 2020, commencing at 10.00am (Sydney time). In light of the COVID-19 pandemic, and in keeping with our purpose – to make your world a safer place – this year’s AGM will be held virtually for all shareholders through the online AGM platform at <https://web.lumiagm.com>.

If you log in to the online meeting on 23 October 2020 as a shareholder, you will be able to view a live webcast of the Meeting, ask questions online, and submit your vote in real time. We encourage all shareholders to participate in the virtual AGM through the online platform. To do this you will need a desktop or mobile or tablet device with internet access. When you log on to the AGM platform at <https://web.lumiagm.com> on the morning of the AGM, you will need to enter IAG’s meeting number (which is 384962274) and provide your details (including SRN or HIN) to be verified as a shareholder. You will then be given details as to how to vote and ask questions during the AGM. You can also dial in to the Meeting by using a fixed or mobile phone to access a teleconference.

All the information you need to participate in our 2020 AGM, including how to access the Notice of Meeting and how to lodge your voting form and shareholder questions, is contained in the AGM Access Notice that has been sent to all shareholders. A detailed guide on how to participate in this year’s virtual AGM has been lodged with ASX, and is also available on our website at <https://www.iag.com.au/shareholder-centre/annual-meetings>.

The AGM is an important part of IAG’s overall approach to governance. At the AGM, you will be able to vote on the:

- adoption of the Remuneration Report as set out on pages 24 to 46 of the 2020 Annual Report;
- election of a new Non-Executive Director, Simon Allen, who was appointed to the Board of Directors of IAG (**Board**) since we met last year and offers himself for election;
- re-election of Non-Executive Directors, Duncan Boyle, Sheila McGregor and Jonathan Nicholson, who are retiring by rotation in accordance with the Company’s constitution (**Constitution**) and are offering themselves for re-election; and
- adoption of a new Constitution, which reflects changes in regulations and practice since the Constitution was last approved in 2007, including the insertion of proportional takeover provisions.

The items of business to be considered at the Meeting also include resolutions requisitioned by shareholders (Resolutions 8 to 10). The Board respects the rights of shareholders to put forward resolutions. However, the Board does not consider the requisitioned resolutions to be in IAG’s best interests and recommends that shareholders vote against these resolutions for the reasons set out on pages 12-13.

You are encouraged to vote directly prior to the Meeting or appoint a proxy to act for you. You can do this online at [www.investorvote.com.au](http://www.investorvote.com.au). See pages 6-7 for more details. You can also submit written questions about the items of business before the AGM online at [www.investorvote.com.au](http://www.investorvote.com.au), via email to [investor.relations@iag.com.au](mailto:investor.relations@iag.com.au) or by mail or fax to the addresses shown on page 6. We will address frequently asked questions at the Meeting.

Thank you for your continued support of IAG. I look forward to your participation in the 2020 AGM.

Yours sincerely

A handwritten signature in black ink that reads "Elizabeth Bryan".

**Elizabeth Bryan AM**  
Chairman

# Ordinary and special business

## Notice of 2020 Annual General Meeting

Notice is given that the 2020 AGM of IAG will be held on Friday, 23 October 2020, starting at 10.00am (Sydney time).

As noted in the Letter from the Chairman, shareholders are invited to participate in the AGM virtually via our online AGM platform at <https://web.lumiagm.com>, or through the appointment of a proxy, or submission of a direct vote before the AGM. Further information on how to participate in this year's virtual AGM is set out in this Notice of Meeting, in the AGM Access Notice and in the Online Platform Guide.

In light of the continuing COVID-19 pandemic, we encourage shareholders to monitor the ASX and IAG's website for any updates about the AGM that may follow the issue of this Notice of Meeting.

## Ordinary business

**Resolutions 1 to 7 are SUPPORTED by the Directors and the Chairman intends to vote all available proxies in favour of these resolutions.**

### Receipt of financial statements and reports

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the financial year ended 30 June 2020.

*Note: There is no requirement for shareholders to approve these reports.*

### Adoption of Remuneration Report

#### Resolution 1

To consider, and if thought fit, pass the following resolution as an **ordinary** resolution:

'To adopt the Remuneration Report for the financial year ended 30 June 2020.'

*Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.*

## Election and Re-election of Directors

### Resolution 2

To consider, and if thought fit, pass the following resolution as an **ordinary** resolution:

'To elect as a Non-Executive Director, Simon Allen, who has been appointed to the Board since the last AGM and offers himself for election in accordance with the Constitution.'

### Resolution 3

To consider, and if thought fit, pass the following resolution as an **ordinary** resolution:

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

### Resolution 4

To consider, and if thought fit, pass the following resolution as an **ordinary** resolution:

'To re-elect as a Non-Executive Director, Sheila McGregor, who retires by rotation in accordance with the Constitution and, being eligible, offers herself for re-election.'

### Resolution 5

To consider, and if thought fit, pass the following resolution as an **ordinary** resolution:

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

# Items of business

## Special Business

### Adoption of new Constitution

#### Resolution 6

To consider, and if thought fit, pass the following resolution as a **special** resolution:

‘To approve and adopt a new Constitution (excluding Article 6) which is signed by the Chairman of the Meeting for the purposes of identification, as the Constitution of the Company in place of the current Constitution, with effect from the close of the Meeting.’

**Note:** *This resolution is proposed as a special resolution and requires approval of 75% of votes cast by shareholders entitled to vote on the resolution.*

#### Resolution 7

To consider, and if thought fit, pass the following resolution as a **special** resolution:

‘That, with effect from the close of the Meeting, proportional takeover provisions be inserted into the Constitution of the Company as new Article 6, as set out in the new Constitution that is signed by the Chairman of the Meeting for the purposes of identification under Resolution 6.’

**Note:** *This resolution is proposed as a special resolution and requires approval of 75% of votes cast by shareholders entitled to vote on the resolution.*

**Resolutions 8 to 10 are NOT SUPPORTED by the Directors and the Chairman intends to vote all available proxies against these resolutions.**

### Resolutions promoted by the Colong Foundation for Wilderness Ltd and requisitioned by a group of shareholders

#### Resolution 8

To consider, and if thought fit, pass the following resolution as a **special** resolution:

‘To insert into our company’s constitution, the following new clause 10.3A ‘Advisory resolutions’: “The Company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the Company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material financial relevance and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the Directors or the Company.’

**Note:** *This resolution is proposed as a special resolution and requires approval of 75% of votes cast by shareholders entitled to vote on the resolution.*

#### Resolution 9

To consider, and if thought fit, pass the following resolution as an **ordinary** resolution:

‘Shareholders request that the company develop a policy which guarantees IAG does not invest in, insure or advocate [1] projects or works that could result in negative impacts on nature or cultural sites [2] occurring within the boundaries of a World Heritage property.

[1] Advocacy is defined as taking a public position in favour of such projects through advertising, lobbying, press releases, company policy.

[2] Protecting cultural sites within a World Heritage area would ensure the fulfilment of a core tenet of IAG’s Reconciliation Action Plan ‘Respect’, which seeks to “Increase knowledge and understanding of Aboriginal and Torres Strait Islander cultures, histories and achievements”.

#### Resolution 10

To consider, and if thought fit, pass the following resolution as an **ordinary** resolution:

‘Shareholders request where an industry association that IAG is a member of, or is formally represented by, presents a position that contradicts the companies [sic] own policies, IAG must engage with the body on the matter and, notwithstanding amendment to the position, publicly declare its opposition to the association’s policy.’

**Note:** *Resolutions 9 and 10 are advisory resolutions and may only be properly considered at the Meeting if Resolution 8 is passed by special resolution. Resolutions 9 and 10 will not be put to the Meeting if Resolution 8 is not passed.*

Dated in Sydney on 10 September 2020.

By order of the Board.



**Jane Bowd**  
Group Company Secretary

# How to vote

## Virtual AGM and Webcast

The AGM will be webcast live to enable shareholders and proxyholders to participate through the online AGM platform at <https://web.lumiagm.com>. To participate, you will need a desktop or mobile or tablet device with internet access. When you log on to the AGM platform on the morning of the AGM, you will need to provide your details (including SRN or HIN) to be verified as a shareholder or proxyholder. The details shareholders need are set out in the AGM Access Notice sent to all shareholders. Proxyholders will need their login details which will be provided by Computershare no later than 24 hours before the AGM. It is recommended that proxyholders call the Computershare call centre at least one hour before commencement of the Meeting to ensure efficient admission to the Meeting.

More information on how to use the online AGM platform (including how to vote and ask questions online during the AGM) is available in the Online Platform Guide, which has been lodged with ASX and is available at <https://www.iag.com.au/shareholder-centre/annual-meetings>. If you intend to use the online AGM platform, we strongly recommend that you test to see that it works on your device before the AGM commences. Further instructions on device configurations are provided in the Online Platform Guide.

Shareholders will be able to access an archived recording of the webcast after the AGM on our website at <https://www.iag.com.au/shareholder-centre/annual-meetings>.

Technical difficulties may arise during the course of the AGM. The Chairman has discretion as to whether and how the AGM should proceed if a technical difficulty arises. In exercising this discretion, the Chairman will consider the number of shareholders affected and the extent to which participation in the business of the Meeting is affected. Where the Chairman considers it appropriate, the Chairman may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a directed proxy or direct vote in advance of the Meeting even if they plan to attend the AGM online.

## Discussion and Shareholder Questions

Discussion will take place on all items of business to be considered at the Meeting. All shareholders will have a reasonable opportunity to ask questions during the AGM through the online AGM platform, or via the teleconference, including an opportunity to ask questions of the Company's external auditor. Please note that if you plan to use the teleconference facility, you will still need to log in to the online platform if you wish to vote.

Shareholders are also welcome to provide questions in advance of the AGM. If you wish to submit questions to the Company or the external auditor in advance of the AGM, you may do so online at [www.investorvote.com.au](http://www.investorvote.com.au), by email to [investor.relations@iag.com.au](mailto:investor.relations@iag.com.au), by mail to GPO Box 242, Melbourne VIC 3001, or by fax on 03 9473 2555 (within Australia) and +61 3 9473 2555 (outside Australia). Questions must be received no later than 5.00pm on Friday, 16 October 2020 (Sydney time).

## Voting Information

### Entitlement to Vote

In accordance with Corporations Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) (**Corporations Act**), the Board has determined that persons who are registered holders of shares in the Company as at 7.00pm (Sydney time) on Wednesday, 21 October 2020 will be entitled to attend virtually and vote at the AGM as a shareholder. Share transfers registered after that time will be disregarded in determining entitlements to attend virtually and vote at the Meeting as a shareholder.

On a poll, shareholders have one vote for every fully paid ordinary share held (subject to the restrictions on voting referred to below).

### Resolutions will be by poll

As shareholders are asked to participate virtually in the Meeting, voting on each resolution proposed at the Meeting will be conducted by a poll. The Board considers voting by poll to be in the interests of the shareholders as a whole as it ensures the views of as many shareholders as possible are represented at the Meeting.

## Voting Exclusions

### Resolution 1: Remuneration Report

The Company will disregard any votes cast on Resolution 1:

- a) by or on behalf of a member of the Company's key management personnel (**KMP**) whose remuneration is disclosed in the 2020 Remuneration Report (and their closely related parties) in any capacity; and
- b) as a proxy by a person who is a KMP at the date of the Meeting (and their closely related parties),

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

- in accordance with a direction on the Voting Form; or
- by the Chairman of the Meeting in accordance with an express authorisation to exercise the proxy even though Resolution 1 is connected with the remuneration of KMP.

For the purpose of these voting exclusions, closely related party is defined in the Corporations Act and includes a spouse, dependant, and certain other close family members, as well as any companies controlled by a member of the KMP.

## Voting Methods

### Direct voting before the AGM

A direct vote allows shareholders to vote on the items of business before the AGM. This means the shareholder does not then need to attend the AGM virtually or appoint a proxy. To do this, shareholders should mark either 'For', 'Against' or 'Abstain' for each item of business on the Voting Form, which can be accessed by following the instructions in the AGM Access Notice.

Please note that a shareholder who has cast a direct vote may still attend and vote at the AGM virtually through the online AGM platform. However, by doing so, the shareholder will automatically cancel their direct vote unless the shareholder instructs us or our share registrar, Computershare Investor Services Pty Limited (**Computershare**), not to cancel their direct vote.

## About voting

### Proxy

If a shareholder is unable to participate virtually and vote at the AGM, and does not choose to use direct voting, they are entitled to appoint a proxy to attend virtually and vote on their behalf. The proxy need not be a shareholder and may be a corporation.

A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion, or number, of votes which each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise up to half of the shareholder's votes.

Shareholders can direct their proxy how to vote by following the instructions on the AGM Access Notice and are encouraged to do so. Any directed proxies that are not voted on a poll at the Meeting will automatically default to the Chairman, who will vote those proxies as directed.

### Corporate Representative

A corporate shareholder or proxy which is a body corporate may appoint a person as its corporate representative. The appointment must comply with section 250D of the Corporations Act. The form to make this appointment can be downloaded from the Computershare website at [www.investorcentre.com](http://www.investorcentre.com) under the information tab Downloadable Forms. The representative should submit this form to Computershare prior to the AGM, if it has not previously been provided.

### Appointing the Chairman as your proxy

A shareholder may appoint the Chairman as their proxy.

If a shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman of the Meeting how to vote, or if the Chairman is appointed as a proxy by default, the shareholder will be expressly authorising the Chairman to exercise the proxy in respect of the relevant resolutions, even though the resolutions may relate to the remuneration of a member of the Company's KMP.

The Chairman of the Meeting intends to vote all available proxies:

- a) in favour of Resolutions 1 to 7; and
- b) against Resolutions 8, 9 and 10.

### Power of attorney

If a shareholder has appointed an attorney to attend the AGM virtually and vote at the AGM, or if the Voting Form is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) must be received by Computershare by the Voting Deadline (defined below), unless this document has been previously lodged with Computershare for notation. Powers of attorney may be submitted by post or hand delivered to Computershare at the addresses shown below.

### Voting Deadline

To be valid, direct votes, Voting Forms and proxies must be received by Computershare in Sydney **before 10.00am (Sydney time) on Wednesday, 21 October 2020 (Voting Deadline).**

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

- at [www.investorvote.com.au](http://www.investorvote.com.au). You will need information shown on your AGM Access Notice to vote directly or submit proxy instructions this way; or
- by fax to Computershare on +61 (0)3 9473 2555;
- by hand delivery to Computershare, Level 3, 60 Carrington Street, Sydney NSW 2000; or
- by mail to GPO Box 242, Melbourne VIC 3001

Intermediaries with access to Intermediary Online through Computershare should lodge their votes through [www.intermediaryonline.com](http://www.intermediaryonline.com).

# More information

## Receipt of financial statements and reports

The Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the financial year ended 30 June 2020 (collectively, the **Reports**) will be put before the AGM. The Reports are contained in the Company's Annual Report for the financial year ended 30 June 2020 (**2020 Annual Report**) which is available on our website at [www.iag.com.au/results-and-reports](http://www.iag.com.au/results-and-reports).

This item does not require a formal resolution to be put to the Meeting. Shareholders will be given a reasonable opportunity to ask questions about, or make comments on, the Reports, management, and the business of the Company more generally, via the online AGM platform or the teleconference. There will also be an opportunity to ask questions of the Company's external auditor in relation to:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the auditor.

## Adoption of Remuneration Report

### Resolution 1: Adoption of Remuneration Report

The Remuneration Report includes information regarding:

- our remuneration policy, practices and strategy; and
- the structure of KMP remuneration arrangements, and details on how we seek to align senior executive remuneration with the interests of all our stakeholders, including our customers, the community and shareholders.

The Board is confident that IAG's remuneration policies are in line with governance requirements and continue to support the Company's financial and strategic goals, which ultimately benefit all our stakeholders.

The 2020 Remuneration Report can be found on pages 24 to 46 of the 2020 Annual Report and on our website at [www.iag.com.au/results-and-reports](http://www.iag.com.au/results-and-reports).

Shareholders will be given a reasonable opportunity to ask questions about, and to make comments on, the Remuneration Report at the AGM via the online AGM platform or the teleconference.

The vote on this resolution is advisory only and does not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing our remuneration policies and practices.

### Board recommendation

The Directors recommend that shareholders vote in favour of Resolution 1. The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

## Election and Re-election of Directors

### Resolution 2: Election of Simon Allen



Simon Allen was appointed a Director of IAG on 12 November 2019 following the satisfactory completion of background checks by the Company. He is a member of the People and Remuneration Committee, Risk Committee and Nomination Committee.

Simon has been a non-executive director of IAG's wholly-owned subsidiary IAG New Zealand Limited since September 2015 and was appointed its chairman in November 2019.

Simon has over 30 years of commercial experience in the New Zealand and Australian capital markets and was Chief Executive of investment bank BZW/ABN AMRO in New Zealand for 21 years. He is currently Chair of The New Zealand Refining Company Limited and a Trustee of the New Zealand Antarctic Heritage Trust.

He was the inaugural Chair of NZX Limited and of the Financial Markets Authority and Crown Fibre Holdings Limited (renamed Crown Infrastructure Partners Limited).

The Board considers that Simon Allen is an independent director.

Directorships of other listed companies in the last three years:

- The New Zealand Refining Company Limited (since 2015)

### Board recommendation

Having regard to the above considerations, the Directors (other than Simon Allen) recommend that shareholders vote in favour of Resolution 2. The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

### Resolution 3: Re-election of Duncan Boyle



Duncan Boyle was appointed a Director of IAG on 23 December 2016. He is Chairman of the Risk Committee and a member of the Audit Committee, People and Remuneration Committee and Nomination Committee.

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

Duncan's executive career included senior roles with a variety of financial and corporate institutions, including Royal and Sun Alliance Insurance. He also held various board roles with the Association of British Insurers, Insurance Council of Australia, Global Aviation Underwriting Managers, AAMI and APIA. Duncan is also a former Non-Executive Director of Stockland Group and Clayton Utz.

The Board considers that Duncan Boyle is an independent director.

Directorships of other listed companies in the last three years:

- None

### Board recommendation

Having regard to the above considerations, the Directors (other than Duncan Boyle) recommend that shareholders vote in favour of Resolution 3. The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

# Explanatory Notes

## Resolution 4: Re-election of Sheila McGregor



Sheila McGregor was appointed a Director of IAG on 13 March 2018. She is a member of the Audit Committee, Risk Committee and Nomination Committee.

Sheila is a Partner at Gilbert + Tobin, advising on business-critical technology, data, privacy, and digital issues. Previously, she was a Senior Partner at Herbert Smith Freehills (then Freehills).

Sheila is a Non-Executive Director of Crestone Holdings Limited. She is also a Non-Executive Director of St Vincent's Health Australia, the Sydney Writers' Festival and Board Chair of an independent girls' school in Sydney.

The Board considers that Sheila McGregor is an independent director.

Directorships of other listed companies in the last three years:

- None

### Board recommendation

Having regard to the above considerations, the Directors (other than Sheila McGregor) recommend that shareholders vote in favour of Resolution 4. The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

## Resolution 5: Re-election of Jonathan Nicholson



Jonathan (Jon) Nicholson was appointed to the IAG Board on 1 September 2015. He is Chairman of the People and Remuneration Committee and a member of the Risk Committee and the Nomination Committee.

Jon is Non-Executive Chairman of Westpac Foundation, a trustee of Westpac Bicentennial Foundation and

a Non-Executive Director of Cape York Partnerships and QuintessenceLabs.

He previously spent eight years with Westpac Banking Corporation, first as Chief Strategy Officer and later as Enterprise Executive. He retired from Westpac in 2014.

Jon's executive career has included senior roles with a variety of financial and corporate institutions, including the Boston Consulting Group. He also held various roles with the Australian government, including Senior Private Secretary to the Prime Minister of Australia (Bob Hawke) and senior positions in the Department of the Prime Minister and Cabinet.

The Board considers that Jon Nicholson is an independent director.

Directorships of other listed companies in the last three years:

- None

### Board recommendation

Having regard to the above considerations, the Directors (other than Jon Nicholson) recommend that shareholders vote in favour of Resolution 5. The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

## Adoption of New Constitution

### Resolution 6: Adoption of New Constitution

The Company's current Constitution was last amended at the 2007 AGM. It is proposed to adopt a new Constitution as there have been a number of developments in law, corporate governance principles and general corporate and commercial practice for ASX-listed companies since that time.

The Board recommends the adoption of the new Constitution that reflects current market practice and terminology. Many of the proposed changes are administrative or relatively minor in nature. The material differences between the current Constitution and the new Constitution are outlined below.

Copies of the Company's current Constitution and the proposed new Constitution are available from the IAG website at <https://www.iag.com.au/shareholder-centre/annual-meetings>. You can request a copy of these documents by emailing [investor.relations@iag.com.au](mailto:investor.relations@iag.com.au).

### a) Directors

Article 12.3 of the current Constitution requires one-third of the Directors to retire at each AGM. Under Article 12.3 of the new Constitution, Directors (other than the Managing Director) will be required to retire no later than the third AGM following the Director's last election or appointment.

The new Article 12.3 reflects common director rotation provisions amongst listed companies and is in line with the relevant ASX Listing Rules. To the extent the ASX Listing Rules require the Company to hold an election of Directors at an AGM, a Director election will be held, and Article 12.3 provides the process for determining which Director will stand for re-election.

In addition, the new Constitution:

- states that executive Directors automatically cease to hold office as a Director if their employment is terminated, unless the Board determines otherwise (Article 14.27); and
- states Directors automatically cease to hold office if they cease to be fit and proper persons to hold office under the APRA Prudential Standards (Article 12.26(e)).

### b) Written resolutions

Article 14.24 of the current Constitution requires written resolutions to be unanimously approved by Directors signing a copy of the resolution, unless they are ineligible to vote or not present in Australia.

The new Constitution amends this position so that Directors are also not required to sign a written resolution while they are on a leave of absence approved by the Board or disqualify themselves from considering the resolution.

### c) Board meetings

Article 14.15 of the current Constitution requires three Directors to constitute a quorum, at least two of whom must be entitled to vote. The new Constitution simplifies this requirement so that only three Directors are needed to constitute a quorum.

The current Constitution does not specify notice requirements for Director meetings. Article 12.4A of the new Constitution clarifies that, if necessary, notice of a Board meeting can be given immediately before the meeting and without specifying the business to be considered.

# Explanatory Notes

The new Constitution also:

- removes the ability of Directors to appoint proxies to attend Board meetings on their behalf by deleting Article 14.14 of the current Constitution. This is in line with current practice and shareholder expectations that Directors will have sufficient time to personally attend meetings;
- includes more comprehensive provisions relating to the Board's powers of delegation in Article 14.19, including express recognition that the Board may delegate to a committee or any other person or body;
- removes the Company's obligation to retain broad categories of corporate records for the benefit of Directors by deleting Article 17.2 of the current Constitution. It is unusual for a listed company to include provisions requiring retention of documents in its constitution. It is more common for document retention requirements for the benefit of Directors to be set out separately in deeds of access and indemnity.

## d) Shareholder meetings

The new Constitution includes the following changes to the current Constitution:

- The Chair is expressly empowered to set time limits on discussions, deal with disorderly conduct, and refuse to admit people who do not comply with security checks or who are carrying dangerous or disruptive items, among other matters (Articles 11.10, 11.10A, 11.10B, 11.10C and 11.10D). This provides additional certainty for the conduct of meetings and supports the significant powers of the Chair to regulate the conduct of AGMs at common law.
- The new Constitution enables the Company to clarify and correct errors in relation to proxy votes after the deadline for lodgement of proxies has passed (Articles 11.29B and 11.29C).
- The new Constitution clarifies that shareholders cannot submit a new direct vote after the deadline has passed, similar to the position for proxies (Article 11.26A).
- The new Constitution allows a general meeting to be postponed or cancelled with the consent of the person or persons who caused the meeting to be called (Article 10.9). The new Constitution also allows notice of

postponement or cancellation to be given by ASX announcement only, without direct communication to each shareholder (Article 10.10). This change enables cost-effective and efficient communications with shareholders.

- The new Constitution does not require notices of meeting to be sent to shareholders who do not have a current address or who are not known at their registered address (Article 20.7). For these 'lost shareholders', notice of meeting is provided by publishing the notice at the Company's registered office.
- The new Constitution amends Article 20.3 so that notices sent electronically are deemed to be received at the time they are sent rather than the day after sending. This change recognises that notices sent electronically are received almost instantaneously.
- The new Constitution introduces rules (in Articles 11.10E-11.10I) that enable Directors to determine to hold shareholder meetings using, or with the assistance of, any technology that gives shareholders as a whole a reasonable opportunity to participate, in accordance with procedures determined by the Directors. The new rules do not require Directors to hold meetings using technology.

## e) Dividends and distributions

The new Constitution includes some newer market practice inclusions in relation to dividends, including:

- express confirmation that dividends can be paid from any source permitted by law (Article 18.1);
- clarifying that the Company may use unclaimed dividends for corporate purposes where a shareholder has not provided a valid bank account for direct crediting, until claimed by the shareholder or until required to be dealt with in accordance with any law relating to unclaimed moneys (Articles 18.10, 18.14A and 18.15); and
- express permission for Directors to determine that unclaimed dividends will be reinvested under the Company's dividend reinvestment plan (Article 18.16).

In addition, the new Constitution replaces existing provisions with new general ancillary powers in new Article 19A that:

- provide greater flexibility in relation to non-cash dividends and capital returns; and

- ensure that a consistent regime of ancillary powers applies to the payment of non-cash dividends, return of capital, or the capitalisation of an amount.

The new provisions also address requirements in the Corporations Act in relation to persons consenting to be members of a company where shares in another company are distributed to them.

## f) Ability to charge a reasonable fee for certain transfers

Article 5.5 of the current Constitution requires IAG to register all registrable transfers without charge. The new Constitution amends Article 5.5 so that the Company may charge reasonable fees for the registration of transfers where permitted by the ASX Listing Rules. For example, the share registry charges IAG a security clearance fee when registering paper-based transfers. Amending this rule would permit (but not require) IAG to pass these fees on to the holder.

## g) Restricted securities

The new Constitution updates the provisions in Article 23 of the current Constitution relating to restricted securities in the current Constitution to align with new ASX Listing Rule requirements.

## h) Power to refuse to register transfers

Article 5.8 of the current Constitution includes a broad power for the Board to decline to register a transfer of shares. The amended Article 5.8 in the new Constitution sets out a non-exhaustive list of various circumstances where that power may be exercised, for example, where the transfer is not in registrable form, where the Company has a lien over the shares to be transferred, and where the transfer is not permitted under the terms of an employee share plan.

## i) Default interest rate payable by shareholders

Under the current Constitution, the default interest rate charged on amounts owed by shareholders to IAG is 10% per annum.

The new Constitution changes the default interest rate to a floating amount based on the rate prescribed in respect of unpaid judgments in the Supreme Court of New South Wales, plus a margin of 2% per annum.

# Explanatory Notes

## j) Proportional takeover provisions

Article 6 of the proposed new Constitution contains proportional takeover provisions. The resolution to adopt the new Constitution does not include the approval of the proposed new Article 6. Instead, new Article 6 will require a separate approval which is contained in Resolution 7 and does not depend on Resolution 6 being passed. The Explanatory Notes associated with that resolution are set out below.

## k) Updates to terminology

Provisions which were outdated or restated Corporations Act or ASX Listing Rule requirements have been removed in the new Constitution to simplify the document and minimise the need for updates in the event of any legislative or regulatory change.

The proposed new Constitution also includes amendments to reflect changes in terminology in the Corporations Act, the ASX Listing Rules and ASX Settlement Operating Rules.

## Board recommendation

The Directors recommend that shareholders vote in favour of Resolution 6. The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

## Resolution 7: Proportional Takeover Provisions

### Background

It is proposed to insert a new Article 6 into the Constitution setting out proportional takeover rules.

A proportional takeover bid occurs when a bidder offers to acquire only a proportion of each shareholder's shares (e.g. five out of every eight shares held). Under the Corporations Act, companies may include proportional takeover rules in their constitutions that enable shareholders to vote on a proportional bid 'in-principle' before a proportional bid is permitted to proceed. These rules expire if they are not refreshed by a special resolution of shareholders every three years. A significant number of ASX-listed companies have proportional takeover provisions in their constitutions and routinely have the provisions refreshed by shareholders.

The Corporations Act requires the Company to provide shareholders with an explanation of the proposed proportional

takeover approval provisions as set out below so that shareholders may make an informed decision on whether to support or oppose the resolution.

### Why are the provisions needed?

The Directors consider that shareholders should have the opportunity to vote on any proportional takeover bid for the Company.

Without these provisions, a bid may enable control of the Company to pass without shareholders having the chance to sell all their shares to the bidder. Shareholders therefore may be exposed to the risk of being left as a minority in the Company, and of the bidder taking control of the Company without paying an adequate premium for control.

The Directors also consider that the provisions may avoid shareholders feeling pressured to accept a bid in circumstances where they do not want it to succeed.

### What is the effect of the provisions?

If the provisions are inserted and a proportional takeover bid is made, the Directors will be required to seek the approval of shareholders for that bid at least 14 days before the bid period closes.

Shareholder approval will be received if more than 50% of votes cast by shareholders entitled to vote are in favour of the resolution. The bidder and its associates are not allowed to vote on the resolution.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the resolution is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Constitution.

The bid will be taken to have been approved if the resolution is not voted on by the deadline specified in the Corporations Act. However, the Directors will breach the Corporations Act if they fail to ensure that the resolution is voted on before the deadline.

The provisions do not apply to full takeover bids, and will only apply until 23 October 2023, unless renewed by a special resolution passed by shareholders.

## Potential advantages and disadvantages for the Directors and shareholders of the Company

The insertion of Article 6 will enable the Directors to formally ascertain the views of shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of shareholders. Other than this advantage, the Directors consider that the insertion of Article 6 has no potential advantages or disadvantages for them as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.

The potential advantages of the provisions for shareholders include:

- all shareholders will have an opportunity to consider a proportional takeover bid and vote on the bid at a general meeting, which may assist in ensuring that any bid is attractive to a majority of shareholders;
- increased shareholder bargaining power, and may assist in ensuring that any proportional takeover bid is appropriately priced;
- knowing the view of the majority of shareholders may help each individual shareholder assess the likely outcome of the bid when determining whether to accept or reject the offer; and
- the provisions may help shareholders avoid being locked in as a minority and avoid the bidder acquiring control of the Company without paying an adequate control premium.

The potential disadvantages for shareholders include that the provisions may:

- discourage proportional takeover bids;
- reduce the likelihood of a proportional takeover bid being successful;
- reduce any speculative element in the market price of the Company's shares arising from the possibility of a proportional takeover bid being made; and
- be considered to constitute an unwarranted additional restriction on the ability of shareholders to freely deal with their shares.

The Board considers that the potential advantages for shareholders of the provisions outweigh the potential disadvantages for shareholders.

# Explanatory Notes

## No knowledge of present acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

## Board recommendation

The Directors recommend that shareholders vote in favour of Resolution 7. The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

## Resolutions promoted by The Colong Foundation for Wilderness Ltd and requisitioned by a group of shareholders

A group of 100 shareholders, holding approximately 0.0072% of the shares on issue in the Company, has proposed three resolutions pursuant to section 249N of the Corporations Act. This group has also requested that the supporting statement set out in Appendix 1 (on pages 14 -15) of this Notice of Meeting be provided to shareholders.

## Resolution 8: Special Resolution to amend Constitution

*This resolution is proposed as a special resolution and requires approval of 75% of votes cast by shareholders entitled to vote on the resolution.*

The Directors recommend that you vote against Resolution 8 for the reasons set out below.

The Board respects the rights of shareholders to seek to amend the Company's Constitution, however, the Board does not consider this resolution to be in the best interests of shareholders for the following reasons:

- The power to manage the business of the Company is conferred upon the Board by the Constitution. It is not appropriate or practical for the Board's power to manage the Company to be potentially compromised by advisory resolutions promoted by narrow shareholder interest groups which fail to consider the interests of all IAG's stakeholders. It is important for the Board to be able to exercise its powers in relation to the business and affairs of the Company having regard to its stakeholders and the interests of its shareholders as a whole.
- Shareholders have multiple avenues to express an opinion or request information through IAG's investor relations program, including through:
  - the ability to ask questions or make comments regarding the management of the Company's business as part of the discussion on Resolution 1 in the Notice of Meeting, or at any other time. Shareholders are also able to submit questions in advance of the AGM by following the instructions on the AGM Access Notice sent to all shareholders;
  - pre-AGM meetings with our largest shareholders and major governance and advisory bodies;
  - post-results meetings with domestic and offshore institutional investors every six months; and
  - periodic presentations on our strategy or specific aspects of our business, as appropriate.

For the above reasons, the Board considers that the proposed resolution does not improve the ability of shareholders as a whole to be heard and to the contrary, could lead to confusion and impede the ability of the Board to exercise its powers in the best interests of shareholders as a whole.

## Resolution 9: IAG World Heritage Policy

*Resolution 9 is an advisory resolution and may only be properly considered at the Meeting if Resolution 8 is passed by special resolution. This resolution will not be put to the Meeting if Resolution 8 is not passed.*

The Board does not consider this resolution to be in the best interests of shareholders for the reasons set out below.

IAG does not currently have a World Heritage Policy. Rather, we will continue to make judgements about issues of this nature on a case-by-case basis. When we do, our decision making will balance our purpose – to make your world a safer place – with the associated priority of protecting lives and property, alongside our support of the Principles for Sustainable Insurance and the commitments we make through our own Social and Environmental Policy, Climate Action Plan and Reconciliation Action Plan.

IAG is committed to its purpose to 'make your world a safer place' and to working with communities and people to improve their resilience.

Our approach is informed by the United Nations Sustainable Development Goals, the 2015 Paris Climate Agreement, Sendai Framework for Disaster Risk Reduction, issues material to IAG's business and IAG's unique resources, capabilities and assets.

Our Social and Environmental Policy helps identify and manage IAG's direct and indirect social and environmental impacts, including those from disaster risk reduction and climate change. Our Climate Action Plan and Reconciliation Action Plan support the enterprise-wide management of programs of work, provide public commitments and include disclosure on progress.

IAG is a member of the United Nations Environment Programme Finance Initiative (UNEP FI), and a signatory to the Principles for Responsible Investment (PRI) and Principles for Sustainable Insurance (PSI).

The PSI provides a global framework for the insurance industry to address environmental, social and governance (ESG) risks and opportunities. The PSI has four key principles which are embedded across IAG:

# Explanatory Notes

- We will embed in our decision-making ESG issues relevant to our insurance business.
- We will work together with our clients and business partners to raise awareness of ESG issues, manage risk and develop solutions.
- We will work together with governments, regulators and other key stakeholders to promote widespread action across society on ESG issues.
- We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the PSI.

The policies and action plan commitments outlined above provide the relevant decision-making frameworks to allow IAG to make informed decisions about issues which may affect nature or cultural sites or World Heritage Properties.

## Case study: The proposed raising of Warragamba Dam wall

The Colong Foundation for Wilderness Ltd included in its supporting statement a case study on the proposed raising of the Warragamba Dam wall. It nominates this as an example of where a World Heritage Policy would be directly relevant to IAG's position regarding a dam within the Greater Blue Mountains World Heritage Area.

In response to this case study, IAG provides the following information.

IAG will neither insure nor invest in the proposed Warragamba Dam wall raising, nor do we have any direct commercial interest in this project.

We are a purpose-led organisation and our purpose drives us to advocate disaster risk reduction.

IAG has a long history of leadership in supporting community resilience and disaster risk management; this commitment was formalised in the Climate Action Plan launched at the 2018 AGM.

Our advocacy of disaster risk reduction is a long-term commitment, supported by significant investment in relevant research and partnerships. We have our own specialist Natural Perils team and partnerships with the US National Center for Atmospheric Research and the James Cook University Cyclone Testing Station. We are a founding member of the Australian Business Roundtable for Disaster Resilience & Safer Communities.

We use our research and data to identify disaster risk, with our own assessments supporting broader identification of the Hawkesbury-Nepean as being one of Australia's largest unmitigated flood risk to lives and property.

In the past, we have expressed support for the full suite of flood mitigation measures proposed in the Hawkesbury-Nepean Valley Flood Risk Management Strategy, including improved flood forecasting, better evacuation routes, stronger land use planning and development controls, greater accessibility of flood risk information, improved education around flood risk, and reducing risk to life and property by raising Warragamba Dam to allow temporary storage of floodwater.

Our submissions on proposed flood planning reforms in New South Wales have expressed support for additional safeguards to ensure that the community's flood resilience is not eroded over time by reduction of flood planning standards. The submissions also expressed our support for proposed changes which make it easier for local governments to set stricter flood planning controls in areas with extreme flood risk, such as the Hawkesbury-Nepean. We continue to support the need for flood risk mitigation in the Hawkesbury-Nepean to reduce the risk to life and flood-related infrastructure and property damage.

We believe that it is critical that any consideration of flood risk mitigation, including the proposal to raise the dam wall, undertakes the appropriate level of assessment of environmental and heritage impacts (both to the World Heritage Area and any cultural sites) through the planning assessment process. The planning assessment process and associated Environmental Impact Statement must be rigorous and include engagement with impacted communities, including Indigenous traditional owners.

We understand that this process is underway and note the Environmental Impact Statement (which will quantify the impacts on the World Heritage Area and cultural sites) has not been released for consultation at the time of finalising this Notice of Meeting.

## Resolution 10: Relationship with Industry Associations

*Resolution 10 is an advisory resolution and may only be properly considered at the Meeting if Resolution 8 is passed by special resolution. This resolution will not be put to the Meeting if Resolution 8 is not passed.*

IAG works closely with relevant industry bodies to contribute to the formulation of public policy positions that represent the interests of IAG, all our stakeholders including our customers and shareholders, the broader community and the insurance industry as a whole.

Where the public policy position adopted by a relevant industry association is not aligned with IAG's own public policy position, IAG works constructively with the association and its members, and where necessary and appropriate, conducts its own direct advocacy and engagement with governments and other stakeholders. IAG also makes an assessment of the appropriateness and relevance of ongoing industry association memberships as they come up for periodic renewal. In this context, it would be inappropriate for IAG to adopt, as a default position, making a public statement of opposition in every instance where the public policy position adopted by an industry association is not aligned with IAG's own public policy position.

Accordingly, the Board considers the proposed resolution is not in the interests of the Company and its shareholders.

## Board recommendation

The Directors recommend that shareholders vote against Resolutions 8 to 10. The Chairman of the Meeting intends to vote all available proxies against these resolutions.

# Appendix

The contents of Appendix 1 have been provided by the Colong Foundation for Wilderness Ltd pursuant to section 249P of the Corporations Act. IAG is legally required to circulate this information, but is not responsible for its contents.

### Appendix 1: Supporting Statement provided by The Colong Foundation for Wilderness Ltd in relation to Resolutions 8 and 9

It is in the interest of Insurance Australia Group (IAG) and its shareholders that the company align itself with other major insurance companies and banks to have a clear policy on protecting World Heritage properties. World Heritage sites represent the highest level of protection afforded to landscapes on earth that are considered to have Outstanding Universal Value and include locations such as the Pyramids of Giza and the Galapagos Islands. With increased expectation for major corporate entities to act responsibly, and their Environmental and Social Governance policies frequently under the spotlight, IAG should act now to address this shortcoming in their ESG policy portfolio.

This natural world and its human-built monuments are under unprecedented pressure from an array of national and global threats. Nearly half of all the globe's natural World Heritage Sites are under threat from activities including resource extraction and building of major infrastructure projects (i.e. ports and dams). World Heritage sites are a critical asset in the United Nations (UN) tool-belt to protect and maintain sites of Outstanding Universal Value in perpetuity.

IAG should develop and implement a clear and robust World Heritage policy to ensure that they do not play any financial or advocacy role in projects which negatively impact UNESCO listed properties. As a supporter of the UN Sustainable Development Goals, and having specifically identified Goal 11 as a key priority for the company, which includes the target of "[strengthening] efforts to protect and safeguard the world's cultural and natural heritage<sup>1</sup>", IAG should develop such a stand-alone World Heritage policy to bolster its position. Many other financial institutions have developed such policies or are signatories to initiatives stating their support and intention to proactively protect such sites. These companies include HSBC (International), Suncorp, and Allianz.

We detail below an example where development of a corporate World Heritage Policy is directly relevant to IAG's positioning regarding a dam proposal within the Greater Blue Mountains World Heritage Area.

### Case study: The proposed raising of Warragamba Dam wall

The raising of Warragamba Dam wall by 17 metres for flood mitigation would destroy 65 kilometres of wild streams and rivers within the Greater Blue Mountains World Heritage Area (GBMWH), flooding approximately 6,000 hectares of World Heritage listed national parks and protected areas for up to five weeks at a time. Inundation would destroy internationally unique biodiversity and 300 indigenous sites that occur within the World Heritage property boundaries. Threatened species occurring within this zone that would be severely impacted by the proposal include Australia's second rarest bird, the Regent honeyeater, which would lose its last remaining breeding habitat in southern NSW. The project would undermine the integrity of the site, destroy habitat for at least 48 other threatened species and ruin the scenic beauty of the area, destroying the last remaining 'wild river' of the Sydney Basin, the Kowmung River. Raising the dam wall would also destroy in excess of 300 sacred sites of the Gundungurra people of the southern Blue Mountains.

The project itself has been condemned by the UNESCO World Heritage Committee, the body tasked with listing and overseeing the conservation of World Heritage properties globally. At the 43rd Annual Meeting of the World Heritage Committee in Baku, Azerbaijan, a decision was made denouncing the plan to raise Warragamba Dam wall. It stated:

*"the inundation of areas within the property resulting from the raising of the dam wall are likely to have an impact on the Outstanding Universal Value (OUV) of the property, recalls Decision 40 COM 7, in which it considered that the construction of dams with large reservoirs within the boundaries of World Heritage properties is incompatible with their World Heritage status, and urged States Parties to "ensure that the impacts from dams that could affect properties located upstream or downstream within the same river basin are rigorously assessed in order to avoid impacts on the OUV."<sup>2</sup>*

The Australian Federal Environment Department have stated that the "impact of increased flood water levels within the dam are likely to have extensive and significant impacts on listed threatened species and communities and world and national heritage values of the [GBMWH].<sup>3</sup>"

In August 2020, documents leaked from the same Federal Environment Department said the NSW Government environmental assessment undertaken for the dam proposal was "unacceptable" as surveys were not conducted "for a large part of the project area."<sup>4</sup>

While flooding in the valley cannot be overcome by a raised dam wall, it is NSW Government policy to increase the floodplain population by 134,000 in coming decades<sup>5</sup>. Subsequently, the dam wall raising would generate in excess of 40,000 additional high-risk home insurance policies in the Hawkesbury-Nepean floodplain. It is the assessment of emergency experts that, because flood waters rise so fast in extreme events, it will be impossible to evacuate the increased number of residents in time to prevent serious loss of life<sup>6</sup>. As such, supporting this mitigation project would likely increase the exposure of home insurance companies to further flood risk on the western Sydney floodplain.

Whilst implementation of flood mitigation projects is incredibly important for insurers in Australia, [neither] this project, nor any project that would result in negative impacts occurring within the boundaries of World Heritage properties, should be invested in, insured or advocated for by Insurance Australia Group.

The IAG Board currently supports this dam proposal and refuses to meet with Traditional Owners to discuss the significant impacts it would have on their culture<sup>7</sup>. Advocacy for the proposal is largely conducted through the Insurance Council of Australia<sup>8</sup>.

<sup>1</sup>IAG UN Sustainable Development Goals. Available online: <https://www.iag.com.au/safer-communities/responsible-and-ethical-business/un-sustainable-development-goals>

<sup>2</sup>World Heritage Committee (2019) Decisions adopted during the 43rd session of the World Heritage Committee, UNESCO, p.82-83 [<http://bit.ly/2T7mbpk>]

<sup>3</sup>Sydney Morning Herald (2019), 'Significant Impacts': Federal government issues Warragamba wall alert. Available online: <https://www.smh.com.au/environment/conservation/significant-impacts-federal-government-issues-warragamba-wall-alert-20181112-p50flc.html>

<sup>4</sup>Sydney Morning Herald (2020), 'Unacceptable': Federal department blasts Warragamba Dam wall plan. Available online: <https://www.smh.com.au/environment/conservation/unacceptable-federal-department-blasts-warragamba-dam-wall-plan-20200816-p55m5v.html>

<sup>5</sup>Infrastructure NSW (2017) Resilient Valleys, Resilient Communities: Hawkesbury-Nepean Valley Flood Risk Management Strategy, p.19 [<http://bit.ly/39sxwag>]

<sup>6</sup>Dr Chas Keys (2019), Submission to the Inquiry into the Proposed Raising of Warragamba Dam Wall <https://bit.ly/2tYybBm>

<sup>7</sup>[givadam.org.au/news](http://givadam.org.au/news)

<sup>8</sup><https://insurancenews.com.au/daily/dam-right-insurers-back-higher-warragamba-wall>



#### **Shareholder information**

##### **Share Registry**

Computershare Investor Services Pty Limited  
GPO Box 4709, Melbourne VIC 3001 Australia

Hand deliveries:

Level 3, 60 Carrington Street  
Sydney NSW 2000 Australia

Telephone:

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

Other:

Email [iag@computershare.com.au](mailto:iag@computershare.com.au)  
Facsimile (general) +61 (0)3 9473 2470

##### **Registered Office**

Insurance Australia Group Limited  
Level 13, 201 Sussex Street  
Sydney NSW 2000 Australia

Telephone +61 (0)2 9292 9222

Email [investor.relations@iag.com.au](mailto:investor.relations@iag.com.au)

Facsimile +61 (0)2 9292 8072

Website [www.iag.com.au](http://www.iag.com.au)

##### **Online information**

To view other information about IAG and to manage your shareholding online, visit [www.iag.com.au](http://www.iag.com.au). You can also register to receive email news alerts when IAG makes important announcements.