AUSTRALIAN
SHAREHOLDERS'
ASSOCIATION

Australian Shareholders' Association
Suite 31.08, Level 31
52 Martin Place, Sydney NSW 2000
PO Box A398, Sydney South NSW 2001

Plan, Execute, Deliver

Company/ASX Code	Insurance Australia Group/IAG
AGM time and date	Thursday 23 October 2025, 9:30am AEDT
Location	Wesley Conference Centre, 220 Pitt St, Sydney
Registry	Computershare
Type of meeting	Hybrid
Monitor	Sue Howes with John Lin and Greg Franzini
Pre-AGM Meeting	Yes, with Chair Tom Pocket, Wendy Thorpe (Chair - People and Rem) and Mark Ley (Investor Relations)

Monitor Shareholding: The individuals (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
2(a)	Re-election of Tom Pockett	For
2(b)	Re-election of Helen Nugent	For
2(c)	Re-election of Scott Perkins	For
2(d)	Re-election of George Savvides	For
2(e)	Election of JoAnne Stephenson	For
3	Adoption of the Remuneration Report	For
4	Allocation of rights to Nick Hawkins	For
5	Increase to the Independent Non-executive Director fee Pool	Against

2. Summary of Issues and Voting Intentions for AGM

- Performance on most fronts has improved over the last 5 years.
- The RACQI and RACI acquisitions are throwing up some challenges, but these are being managed.
- The company, Board, Executive and remuneration plan are all stable.
- On 6th October it was reported that a case between IAG and NZ's Financial Markets Authority had been resolved and that IAG NZ would be fined $NZ19.5m and require remediation estimated to be $NZ21m. This item was not referenced in the Annual Report. Checking with the company this was omitted largely due to materiality. However, there is a reputational issue here that shareholders are becoming more sensitive to, so we request the company report any issues involving customers, regulators and courts in future.

See ASA Voting guidelines and Investment Glossary for definitions.

3. Matters Considered

Accounts and reports

Financial performance

(As at FYE)	2025	2024	2023	2022	2021
NPAT ($m)	1359	898	832	424	(264)
UPAT ($m)	1542	1337	1052	1157	1095
Cash earnings ($m)	1173	905	452	213	747
Share price ($)	9.03	7.14	5.70	4.36	5.16
Dividend (cents)	31.0	27.0	15.0	11.0	20.0
Simple TSR (%)	30.8	12.50	34.17	(13.37)	(7.10)
EPS (cents)	57.49	37.3	33.9	14.1	(17.8)
CEO total remuneration, actual ($m)	7.132	3.423	2.677	2.272	2.949

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

The company has posted a very good result with the contribution from several years of effort showing through as profit. The company is expecting continued contribution to the bottom line from their ongoing technology restructure over the next one to two years. We specifically asked about employee numbers. These have dropped 4% to 5% (depending on which metric is used) largely as a result of the technology upgrade work that has occurred.

Natural perils continue to be the largest source of risk for the company. Management is assisted in managing the inconsistency of claims by perils overlay on the reinsurance program. Over the last 5 years the company has seen steadily increasing perils claims – last year was the first time this has even out. The company also saw several years of 13-15% annual cost increases to repairs post COVID. While the costs are still there, the rapid escalation has abated. The continuation of the trend for more people to build and live in areas prone to climate risk will continue to require skill to manage going forward.

The New Zealand currency and economy is not faring as well as Australia, but also the cost of repairs and premiums have reduced. NZ has an excess trade workforce, and this is assisting profitability of the NZ business. While premiums have reduced, profitability has not been adversely affected.

Governance and culture

In FY20 IAG was in a mountain of pain. Badly affected by claims from fires and floods (that exceeded reinsurance limits), struggling with COVID and lockdowns like everyone else as well as issues from Business Interruption Insurance and needing to raise capital quickly, the company seemed to have lost focus and didn't seem to have a strategy for making its way into the future.

The CEO left and was replaced internally by Nick Hawkins in November 2020. At the FY21 AGM Tom Pockett took over from Elizabeth Bryan.

The Board and CEO then developed a 5-year strategy, the focus of which was managing risk well, improving efficiency, harnessing technology and replacing legacy systems, implementing a test and learn approach to trying new initiatives and ensuring customers and staff were looked after.

The results of this are now starting to hit the bottom line and all legacy systems should be replaced by the end of FY26. Our discussions with the Board make it clear that the Board has been very involved in all aspects of this strategy and these changes. It is notable on this Board the small number of other directorships held by all directors, the level of involvement the directors have with staff and projects and the time and dedication the Board has provided through a difficult period.

As is always the case, the tone comes from the top. It is very pleasing to see the way the company is now operating.

Key events

The finalisation of residual Business Insurance Claims arising from COVID experience, as the last few claims work their way through, has resulted in a $231m post-tax release from provisions. This has hit the bottom line but the Board decided to remove this from the underlying profit figure used in calculating remuneration.

The RACQI acquisition has finalised. The company is negotiating with the ACCC regarding the RACI (WA) acquisition. IAG will continue to run these as the member organisations they were, retaining many of the staff, while underpinning the business with improved technology.

We asked for an update on the RACQI issues raised in recent news reports. IAG were aware of the issue from due diligence on the acquisition. The issue was reported to ASIC 12 months ago and the practices causing issues halted at that time. Work is underway to address and remedy. Even being aware of this, ASIC chose to take the company to court.

Key board or senior management changes

There have been no changes to the executive during the year. JoAnne Stephenson is standing for election to the Board.

Sustainability/ESG

Sustainability and climate change are central to this company given they take on risk in property and motor vehicle classes. Thus, it is always top of mind at IAG. The company has a comprehensive Climate Action Plan that they track to in metrics for the STI. IAG sees itself as taking a lead in the market with development of pricing, modelling and risk management technology that enable customers to reduce risk and premium while reducing risk for IAG.

ASA focus issues (not discussed above or under remuneration report or re-election of directors)

4. Rationale for Voting Intentions

Resolution 2(a) Re-election of Tom Pockett (for)

Mr Pockett moved into the Chair role at the 2021 AGM. He has quietly turned around a company in some distress. He clearly works with management and sets the tone of hard work and getting involved from the top. Shareholders are now seeing the results of many years of conscientious hard work from the Board, executive and staff.

Mr Pockett joined the Board in January 2015. As such he is not considered independent by the ASA and we would usually vote against him in the Chair role. However, Mr Pockett has been in the Chair role for only 4 years and the majority of Board members postdate the time of distress. There is a majority of independent Board members (we note Ms Nugent reaches 10 years in the role in 2026). Consequently, we will be voting all undirected proxies for this resolution.

Resolution 2(b) Re-election of Helen Nugent (for)

Ms Nugent has a good background, set of skills and experience for this role. She seems to have the time and capacity for the role. We will be voting any undirected proxies for Ms Nugent.

Resolution 2(c) Re-election of Scott Pickering (for)

Mr Pickering has an extensive resume in insurance as well as experience at Board level. We have no reason to vote against him and will be voting any undirected proxies for his re-election.

Resolution 2(d) Re-election of George Savvides (for)

Mr Savvides has a good background in the industry and his chosen other board roles bring considerable exposure and knowledge of cutting-edge technology to this Board. Previous discussions with Mr Savvides show that he is well informed on company and remuneration matters for IAG. We will be voting all undirected proxies for this resolution.

Resolution 2(e) Election of JoAnne Stephenson (for)

Ms Stephenson brings a range of expertise suitable for IAG with her but also has had significant high-level exposure to the retail industry with some of her Board work. We think this retail experience will particularly assist IAG given their customer focus. We will be voting all undirected proxies for this resolution.

Resolution 3 Adoption of the Remuneration Report (for)

There have been no changes to the remuneration structure this year. The structure meets ASA guidelines, the remuneration is in line with companies of a similar size and complexity, the metrics are reasonable and the Board stringent in application. We will therefore be voting any undirected proxies for this resolution.

Resolution 4 Allocation of rights to Nick Hawkins (for)

Given we are voting for the remuneration plan we will also vote any undirected proxies for this resolution.

Resolution 5 Increase to the Independent Non-executive Director Fee Pool (against)

The fee pool must encompass the IAG Group Board as well as subsidiary boards required by APRA and ASIC for regulated entities owned by IAG. The total Fees for the IAG Board are around $3.5m. This does not leave a lot of room for fees for regulated entities. However, we note that the IAG Board is quite large at 10 members and fees seem quite generous. We would prefer to see Board succession managed in an orderly fashion so that size did not increase in this manner. We will be voting any undirected proxies against this resolution.

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Appendix 1
Remuneration framework detail

CEO rem. Framework for FY26	Target* $m	% of Total	Max. Opportunity $m	% of Total
Fixed Remuneration	1,873	33%	1,873	25%
STI - Cash	937	17%	1,405	19%
STI - Equity	937	17%	1,405	19%
LTI	1,873	33%	2,810	38%
Total	5,619	17%	7,492	19%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration framework set a maximum opportunity amount, but not all.

IAG's remuneration plan consists of Fixed pay, Short-term incentive (STI) and (Long-term incentive) LTI.

ASA considers the Fixed pay reasonable given the size and complexity of the company.

The STI is set with a maximum opportunity of 150% of fixed pay with 50% delivered in cash and 50% delivered between years 2 and 7 as Deferred Award Rights (DARs) that convert into equity based on a VWAP. The awards are based on a balanced scorecard approach, 60% of which is financially based and directly linked to the outcomes of the business. The remaining 40% relates to customers, tech platform delivery, employees, risk and sustainability in that order.

The LTI is set with a maximum opportunity of 150% of fixed pay. These awards vest 1/3 each in years 4,5 and 6 for the CEO. The vesting hurdles are linked to Return on Equity, Total Shareholder Return and customer Experience metrics.

The annual report provides clear metrics and results that make calculation of the overall remuneration quite transparent.

CEO Actual remuneration calculation

Item	Amount $'000
Fixed plus benefits	1,927
STI Cash	1,194
STI from previous deferral	602
Rights vested	3,409
Total	7,132