



BOARD CHARTER

PURPOSE

1. This Board Charter sets out the role, responsibilities, structure, composition and processes of the Board of Insurance Australia Group Limited (**IAG**).
2. The composition, structure and conduct of the Board is also governed by IAG's Constitution, the Corporations Act, any applicable prudential requirements (**Prudential Standards**), the Australian Securities Exchange's Listing Rules and general law.

ROLE OF BOARD

3. The Board is responsible for oversight of the sound and prudent management of IAG and its subsidiaries (**Group**). The Board governs and oversees the Group by ensuring that there is a proper governance framework in place to promote and protect IAG's interests for the benefit of all its stakeholders.
4. The Board is expected to demonstrate leadership by acting in accordance with IAG's values, setting the "tone from the top", challenging Management where appropriate and providing direction and guidance as required.
5. The Directors oversee and appraise the strategies, performance, culture and policies of IAG, having due regard to IAG's purpose, its responsibilities to its customers and policyholders, the interests of its stakeholders and its role in the community.
6. In fulfilling its responsibilities, the Board may delegate, and has delegated, certain matters. The matters delegated to the Board Committees are described in the Committee Charters, and those delegated to the Group Chief Executive Officer (**CEO**) are described below.

MATTERS RESERVED FOR THE BOARD

Without limiting its role, the Board is responsible for the overall oversight of IAG and will:

Strategy

7. Approve Group strategies and the Corporate Plan annually.
8. Approve significant corporate initiatives, including major investments, projects and divestments.
9. Oversee Management's implementation of the strategic direction of the Group, the Corporate Plan and corporate initiatives.

Customer

10. Approve the Group's customer strategy annually.
11. Review the customer equity framework, product and pricing principles and policies.
12. Monitor the Group's customer health, including customer insights, experience, and complaints.

Financial, Risk, Audit, Actuarial and Reinsurance

13. Monitor the Group's financial position, performance and statutory reporting.
14. Approve the Group's budget annually.
15. Set policies for and approve dividends payable to shareholders.
16. Approve capital management transactions, including return of capital, issue of new capital and capital raising transactions, to ensure that IAG's capital structure is optimal.
17. Approve the Group's investment objectives and strategy.
18. Approve the Group's half year and full year statutory reports.
19. Approve the appointment or removal of the External Auditor (including associated recommendations to shareholders for approval).
20. Set and review IAG's risk appetite and approve the Group Risk Appetite Statement, Group Risk Management Framework and Group Risk Management Strategy, and oversee the establishment by Management of a sound risk management culture.
21. Monitor all key risk and compliance matters by ensuring the implementation of an adequate and effective risk management and internal controls framework.
22. Review annual reporting from the Risk Committee on the adequacy and effectiveness of the Group's Risk Management Framework and the Group's status in operating with due regard to the risk appetite set by the Board.
23. Approve the annual declaration on risk management to the Australian Prudential Regulation Authority (**APRA**).
24. Approve the reporting on the internal capital adequacy assessment process (**ICAAP**) and the CEO ICAAP declaration to APRA.
25. Approve IAG's annual Actuarial Valuation Report.
26. Approve reinsurance renewal strategies and the implementation of reinsurance renewal programmes.
27. Approve any other frameworks, policies or documents as required by law, including any Prudential Standard.

CEO and Group Executives

28. Select, appoint and determine the terms of appointment of, the CEO.
29. Regularly evaluate the performance of, and if necessary, replace the CEO.
30. Approve the appointment and, where appropriate, removal of the Group Chief Financial Officer (**CFO**) and the Company Secretary.
31. Ratify the selection, appointment and the terms of appointment of executives who report directly to the CEO (**Group Executives**).
32. Oversee CEO succession planning.
33. Approve the Group Executive talent and leadership strategy.

People, Performance and Remuneration

34. Approve the Remuneration Report included in the annual Directors' Report.
35. Approve the Group Remuneration Policy, having regard to IAG's purpose, values, strategic objectives, risk appetite, Group Risk Management Framework and Group Risk Management Strategy.
36. Review the key outcomes of the triennial effectiveness reviews of the Group's Remuneration Framework (as articulated in the Group Remuneration Policy) and oversee any actions coming out of the reviews.
37. Approve, at least annually, on an individual or cohort basis as required by the Prudential Standards and in accordance with the Group Remuneration Policy, the remuneration arrangements for the CEO, Group Executives, and persons in other Specified Roles¹.
38. Approve, at least annually, on an individual or cohort basis as required by the Prudential Standards and in accordance with the Group Remuneration Policy, the variable remuneration outcomes, including adjustments to variable remuneration outcomes, and any other forms of remuneration as required by the Prudential Standards and having regard to the Group Remuneration Policy, for the CEO, Group Executives, and persons in other Specified Roles.
39. Approve IAG Non-Executive Directors remuneration arrangements at least annually.
40. Approve the Group Balanced Scorecard and performance measures within Group Executive (**Divisional**) Scorecards annually.
41. Approve the design and terms of all new Group equity and incentive plans, including material changes to existing plans.
42. Approve the annual Group short term incentive funding allocation.
43. Approve the outcome of any financial and non-financial performance hurdles in relation to any Group equity and incentive plan in which the CEO, the Group Executives, or any other Specified Roles, are participants.
44. Approve the exercise of discretion to retain, lapse or make other adjustment to variable remuneration awards outside of the default treatment upon cessation of employment for the CEO and Group Executives.
45. Approve the Mandatory Shareholding Requirement Policy.

Corporate Governance

46. Define IAG's purpose and approve its values and Code of Ethics and Conduct.
47. Oversee an appropriate corporate governance framework for the Group.
48. Approve the Corporate Governance Statement annually.
49. Approve Group policies or delegate responsibility to a Board Committee to approve certain Group policies.
50. Ensure that an appropriate framework exists for the reporting of relevant information to the Board

¹ Specified Roles refers to roles classified in accordance with CPS 511 as senior managers, executive directors, material risk-takers (including highly paid material risk takers) and risk and financial control personnel.

by Management.

51. Monitor the exercise of delegated authority by Management.

Sustainability (including Environment, Social and Governance (ESG))

52. Approve the Group Social and Environmental Framework.
53. Review reporting on Sustainability and other ESG focus areas.
54. Consider and approve the material external reporting (including the Annual Review and Annual Report) on Sustainability strategies and initiatives (including climate change).

Work Health and Safety

55. Assess the effectiveness of IAG's work health and safety framework, policy and strategic approach for the Group.
56. Evaluate work health and safety compliance, performance, and Management's actions to mitigate risks and incidents within the Group.
57. Review and discuss quarterly Management reporting on safety and wellbeing performance and oversee serious safety and wellbeing incidents escalated by Management.

Regulatory Engagement

58. Maintain an open dialogue with APRA and other regulators and be available to meet with APRA and other regulators on request.

Periodic Review

59. The Board will review this Charter and the Charters of Board Committees at least every three years or as required.

BOARD DELEGATION TO THE CHIEF EXECUTIVE OFFICER

60. The Board has delegated responsibility for the overall management and profit performance of IAG, including all day-to-day operations and administration of IAG, to the CEO. The CEO is principally responsible for:
 - a. developing, with the Board, implementing and overseeing the strategic and financial plans of IAG;
 - b. the efficient and effective operation of IAG and instilling IAG's Values and Code of Ethics and Conduct;
 - c. ensuring the ongoing development, implementation and monitoring of IAG's risk management and internal controls frameworks;
 - d. ensuring the Board is provided with relevant accurate and clear information in a timely manner to promote effective decision-making; and
 - e. ensuring all material matters affecting IAG are brought to the Board's attention.
61. The CEO manages IAG in accordance with the policies, budget, Corporate Plan, and strategies approved by the Board, and has the power to manage IAG, subject to the limits set out in the CEO Delegated Authority Limits.

BOARD SIZE AND COMPOSITION

62. The size of the Board is determined in accordance with IAG's Constitution and has regard to the minimum number of Directors required by the Prudential Standards.
63. The Board must comprise a majority of independent Non-Executive Directors, a majority of whom are ordinarily resident in Australia.
64. A majority of Directors present and eligible to vote at all Board meetings must be Non- Executive Directors.
65. The Chair of the Board is appointed by the Board and must be an independent Non-Executive Director.
66. The Board assesses Directors' independence in accordance with IAG's Standards for Assessing a Director as Independent.
67. Non-Executive Directors are required to confirm their independence periodically (at least annually) while they remain in office.

BOARD APPOINTMENT, PERFORMANCE AND RENEWAL

68. The Board will review Director tenure annually.
69. The Board will select appropriate candidates for the Board and recommend to IAG's shareholders their election following recommendation by the Nomination Committee.
70. All Non-Executive Directors are required under IAG's Constitution to retire by rotation at least once every three years after each election by IAG shareholders.
71. The maximum tenure for a Non-Executive Director is ten years, although, taking into account the matters in clause 73 and any other matter the Board considers relevant (including Board or Committee Chairmanship), the Board has the discretion to invite a Non-Executive Director to stand for an additional term which may take their total tenure beyond 10 years.
72. Each Non-Executive Director receives a letter of appointment that sets out the terms of appointment and a statement of responsibilities.
73. The Board will implement succession planning for IAG's Non-Executive Directors.
74. The Board will annually review its performance, including the efficiency and effectiveness of the Board and each Director.
75. The Board will review its size and composition at least annually and at any time it specifically considers the appointment, re-appointment or removal of a Director, with a view to ensuring that, among other things, it remains open to new ideas and independent thinking, while retaining adequate expertise.
76. In undertaking any consideration in accordance with clause 75, the Board will consider any matter it considers appropriate, including:
 - a. the results of its annual review referred to in clause 74;
 - b. IAG's strategy;
 - c. the nature and size of the Group and the complexity of its business; and
 - d. the tenure of each Director and whether that tenure could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests

of IAG.

77. The Board will undertake an independent review of the performance, composition and size of the Board every two years.

CONFLICTS OF INTEREST

78. The Board will oversee declarations of interest by Directors and manage conflicts of interest as described in the Board management of Conflicts of Interest Policy.

CHAIR'S RESPONSIBILITIES

79. The Chair will:
- a. provide appropriate leadership and guidance to the Board and IAG;
 - b. facilitate and maintain an open dialogue between the Board members, the CEO and Management, serving as the primary link between the Board and Management;
 - c. facilitate the effective function and operation of the Board;
 - d. approve the agendas for each Board meeting and shareholder meetings; and
 - e. be available to meet with APRA and other regulators on request.

COMPANY SECRETARY

80. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
81. All Directors have unfettered access to the Company Secretary and vice versa.

MEETINGS

82. The Board will meet as often as required to undertake its role effectively.
83. A quorum for a Board meeting is three Directors.
84. Any issues requiring resolution arising at any meeting of the Board will be decided by a majority of votes of Directors present and entitled to vote. The Chair does not have a casting vote.
85. The Board may invite Management, external advisors and subject-matter experts to attend its meetings.
86. The External Auditor and Appointed Actuary have free and unfettered access to the Board, and at least annually, the Board will meet with the External Auditor and the Appointed Actuary without Management being present.

BOARD COMMITTEES

87. The Board may establish committees to assist it in exercising its authority. The standing Board Committees are:
- Audit Committee;
 - Risk Committee;
 - People and Remuneration Committee; and

- Nomination Committee.
88. The Board will determine the terms of reference, membership and composition of Board Committees.
89. Minutes of all Committee meetings are circulated to all Directors and the Committee Chairs will report on the business of Committee meetings at the next Board meeting.

ACCESS AND ADVICE

90. The Board will have free and unfettered access to Management and any other persons (internal or external) required to fulfil its responsibilities.
91. The Board may engage and consult and/or seek independent advice from such consultants or experts as required by the Board to carry out the responsibilities and delegations outlined in this Charter.