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AUSTRALIAN COMPETITION TRIBUNAL

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Lodgment and Details

Document Lodged:	Concise Statement
File Number:	ACT 3 of 2026
File Title:	APPLICATION BY INSURANCE AUSTRALIA GROUP LIMITED
Registry:	VICTORIA – AUSTRALIAN COMPETITION TRIBUNAL



REGISTRAR

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Important information

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PUBLIC VERSION

Concise Statement

No. ACT 3 of 2026

Australian Competition Tribunal

District Registry: Victoria

Re Application by Insurance Australia Group Limited

This document contains confidential information, including information which is governed by the Confidentiality Regime made by Justice O'Bryan on 9 October 2026, indicated as follows:

- Information that is confidential to IAG is highlighted in blue
- Information that is confidential to RAC is highlighted in green
- Information that is confidential between the Parties (which should not be shared with either Party) is highlighted in pink
- Information that is confidential between the Parties (which should not be shared with either Party) and which is subject to confidentiality undertakings provided to the ACCC is highlighted in red
- Information that is confidential to both Parties is highlighted in grey.

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INTRODUCTION

1. Pursuant to s 100C of the *Competition and Consumer Act 2010* (Cth) (the **Act**), Insurance Australia Group Limited (**IAG**) seeks review of the determination of the Australian Competition and Consumer Commission (**ACCC**) under s 51ABZE(1) of the Act, dated 22 September 2026, that IAG's proposed acquisition of 100% of the issued share capital in RAC Insurance Pty Ltd (**RACI**), which provides the underwriting services for the Royal Automobile Club of Western Australia Inc's (**RAC**) personal lines insurance business (the **Proposed Acquisition**), must not be put into effect (the **Determination**). The Determination and the ACCC's statement of reasons for it (the **Reasons**) were included on the acquisitions register on 23 September 2026, on which date the Determination is taken to have been made: s 51ABZE(5) of the Act.

2. IAG contends that the Tribunal should not be satisfied that the Proposed Acquisition, having regard to the Strategic Alliance pursuant to which it is to take place (paragraph 5), if put into effect, would, in all the circumstances, have the effect, or be likely to have the effect, of substantially lessening competition (**SLC**) in any market, and that the objectively correct or preferable decision is that the Proposed Acquisition may be put into effect. IAG seeks a determination that: (a) under s 100N(1)(a) of the Act, the Determination be set aside; and (b) under ss 51ABZE(1)(a) and 100N(1)(b) of the Act, the Proposed Acquisition may be put into effect. In the alternative, IAG puts the Proposed Acquisition forward on the basis that it will give to the Tribunal, and comply with, the undertaking under s 87B of the Act annexed to this concise statement and described at paragraph 47 (the **Undertaking**). The Undertaking is in the same form as that lodged with IAG's public benefit application on 13 October 2026, after the Determination was made. The Tribunal may nonetheless take it into account in deciding whether its determination may include conditions. If the Tribunal is satisfied that, disregarding any conditions it could include, the Proposed Acquisition could have the effect of SLC in any market, the determination that the Proposed Acquisition may be put into effect should include a condition under s 51ABZF(1) of the Act that IAG give and comply with the Undertaking: paragraphs 49 and 50.

3. IAG's case may be reduced to five propositions, each developed below. First, RACI's position in Western Australia rests on structural features – a single-State book, concentrated catastrophe risk and constrained access to capital by reason of member ownership – [redacted]. Without the Proposed Acquisition, RAC retains RACI [redacted]: paragraphs 13 to 21. Secondly, IAG's presence in the State is modest and [redacted], and the constraint said to be lost is a modest one: paragraphs 22 to 24. Thirdly,

the markets are contested by six well-resourced and growing national insurers, and new entry continues: paragraphs 28 to 32. Fourthly, the ACCC's finding that IAG and RACI are close competitors rests on diversion in proportion to share, which the ACCC itself accepts cannot distinguish closeness from size: paragraphs 33 to 36. Fifthly, IAG puts the Proposed Acquisition forward with the Distribution Agreement and the Undertaking, which requires IAG to transfer its NRMA-branded home and motor book in Western Australia – removing substantially all of the overlap on which the Determination rests – and entrenches the Distribution Agreement's competitiveness disciplines for ten years under ACCC oversight, with RAC's termination rights brought forward to the third year: paragraphs 41 to 49.

4. This Concise Statement is filed within 30 days of the Application, as required by s 100D, and before the ACCC has provided the documents underlying the Reasons (Tribunal's 9 October 2026 directions: [18]). IAG may seek leave to amend after receiving those documents.

THE PROPOSED ACQUISITION

5. **The Strategic Alliance**: the Proposed Acquisition forms part of a strategic alliance between IAG and RAC comprising:

   a. a share sale deed dated 15 May 2025 between IAG, RACI Pty Ltd and RACWA Holdings Pty Ltd (**RAC Holdings**), a wholly owned subsidiary of RAC, for the acquisition by IAG of RACI from RACI Pty Ltd, a wholly owned subsidiary of RAC Holdings;

   b. an exclusive 20-year distribution agreement under which RAC Holdings will continue to distribute the general insurance products issued by RACI to RAC members in Western Australia under the RAC brand (the **Distribution Agreement**; together with the Proposed Acquisition, the **Strategic Alliance**); and

   c. ancillary agreements comprising a brand licence agreement, a transitional services agreement and a buyback deed under which RACI Pty Ltd may, in the circumstances set out in the deed, reacquire one or more of the RAC-branded portfolios.

6. **Its scope**: IAG notified the ACCC of the Proposed Acquisition under s 51ABX of the Act on 3 March 2026. Following completion of the Proposed Acquisition, IAG will underwrite the motor and home and contents insurance distributed by RAC Holdings under the RAC brand; RAC will continue to operate its other insurance products, its roadside assistance business and its other operations independently, and will retain the RAC brand. The RAC offering does not leave the market: it continues, distributed by RAC Holdings to RAC members, under the disciplines of the Distribution Agreement (paragraphs 41 to 45 below) and of the Undertaking (paragraphs 46 to 49 below).

THE DETERMINATION

7. The ACCC's conclusion that the Proposed Acquisition would have the effect or likely effect of SLC in the supply of motor vehicle insurance and of home and contents insurance in Western Australia (Reasons [2.16], [10.206]-[10.209], [13.117]-[13.120]) rests on seven findings. IAG disagrees with each. The material findings of fact, economics and law with which IAG disagrees are identified below where they are answered:

   a. that the relevant markets are the supply of motor vehicle insurance in Western Australia and the supply of home and contents insurance in Western Australia (Reasons [8.1], [8.8], [8.19]): paragraphs 9 to 10;

   b. that the Proposed Acquisition would result in a substantial increase in concentration (Reasons [2.10], [10.3]-[10.14], [13.4]-[13.14]): paragraphs 12, 38 and 48;

   c. that [redacted] and would continue to [redacted], and that [redacted] (Reasons [redacted], [redacted], [redacted]): paragraphs 13 to 21;

   d. that IAG is an effective competitor in Western Australia and would likely be a stronger one without the Proposed Acquisition (Reasons [2.7], [10.15]-[10.28], [13.15]-[13.25]): paragraphs 22 to 24;

   e. that IAG and RACI are close competitors, and that the Proposed Acquisition would eliminate the competitive pressure they impose on each other (Reasons [2.11], [10.54]-[10.90], [13.43]-[13.64]): paragraphs 33 to 36 and 48;

   f. that expansion by rival insurers and new entry would not be sufficient to offset the loss of competition (Reasons [2.12]-[2.13], [10.105]-[10.169], [13.67]-[13.94]): paragraphs 28 to 32; and

   g. that the Distribution Agreement does not meaningfully constrain IAG, and that the undertaking IAG offered the ACCC in July 2026 does not adequately address the likely competitive harm (Reasons [10.97]-[10.104], [13.66], [14.3]-[14.32]): paragraphs 41 to 49.

8. The ACCC was not satisfied that the Proposed Acquisition would give rise to an SLC by reason of vertical effects in the supply of repair services or of the exercise of monopsony power in the acquisition of smash repair services (Reasons [2.14]-[2.15], [11.7], [12.6]-[12.7]). Those conclusions were correct: paragraph 40 below.

THE MARKETS AND THEIR PARTICIPANTS

9. **The relevant markets**: the relevant markets are national markets for the supply of motor vehicle insurance and home and contents insurance, within which competitive conditions vary from State to State (contrary to Reasons [8.1], [8.8], [8.19]). The majority of insurers operate under national brands with national products, pricing frameworks, technology, reinsurance arrangements (which may extend beyond Australia) and capital, and only two State-based underwriters remain, RACI and the Royal Automobile Club of Tasmania (Reasons [4.20]); insurers price by reference to national considerations and postcode-level risk and increasingly manage claims from national call centres distributed across Australia, as the ACCC accepts (Reasons [8.17], [8.21]); consumers increasingly buy through digital channels from nationally advertised brands (Reasons [8.17]); entry occurs nationally (Reasons [10.153]); and the matters on which the ACCC relies to confine the markets to Western Australia (Reasons [8.22]-[8.27]) describe how competition within a national market plays out, not the boundaries of separate markets: a physical presence and State-based marketing reflect the need for an operating presence wherever an insurer does business (Reasons [8.22], [8.24]); a preference among some customers for a familiar local brand is a matter of brand strength (Reasons [8.23]); and repair costs and demographics enter the pricing process as risk inputs (Reasons [8.25]-[8.27]).

10. **Nothing ultimately turns on market definition**: even if the assessment proceeds by reference only to Western Australia, the Proposed Acquisition would not substantially lessen competition: see, eg, *Applications by Australia and New Zealand Banking Group Limited and Suncorp Group Limited* [2024] ACompT 1 at [351]; cf at [324], [329], [352]; *Applications by Telstra Corporation Limited and TPG Telecom Limited (No 2)* [2023] ACompT 2 at [323].

11. **Market participants**: IAG competes nationally and in Western Australia, with Suncorp (AAMI), Allianz, QBE, Auto & General (Budget Direct), Youi and Hollard, each a well-resourced national or international insurer with an established presence in the State, together with Zurich, Chubb, Adica and third-party distributors (Reasons [4.9]-[4.18], [8.14]). Suncorp, Allianz, Auto & General and Youi are each investing in marketing and sponsorship in the State (Reasons [10.123]-[10.126]), and the ACCC accepts that Suncorp and Auto & General are sizeable competitors (Reasons [10.139]-[10.140], [13.72]). Zurich entered during the ACCC's review: in July 2026, motor insurance through Mercedes-Benz Financial Services and home and contents insurance through Honey Insurance following the transfer from IAG, thereby introducing a new competitor in each product (Reasons [10.153]). RACI alone among the significant insurers in the State combines a single-State book with an unlisted, member-owned parent; each of its rivals is listed or part of a diversified multinational group, and the ACCC accepts that RACI's geographic concentration is unique (Reasons [9.87]).

12. **Market shares**: on the RFI Global data for the six months to December 2025 on which the ACCC relied, the combined entity would hold approximately [redacted] of motor vehicle insurance and [redacted] of home and contents insurance in Western Australia, with post-acquisition HHIs of [redacted] (motor) and [redacted] (home) (Reasons [10.10], [13.11]). Those figures are stale as well as backward-looking. On the same source as at August 2026, RACI's share of motor vehicle insurance has [redacted] rom [redacted] in December 2024) and its share of home and contents insurance has fallen to about [redacted]; the combined shares are [redacted] (motor) and [redacted] (home); and the mid-tier insurers (Auto & General, Youi and Hollard) have [redacted] their combined share since 2021, from [redacted] (motor) and [redacted] (home). Even before accounting for the divestiture contemplated by the Undertaking (which both sets of figures and all market share figures cited herein do not account for), the ACCC must recognise that [redacted] in the intervening period. IAG will apply under s 100S(2) of the Act for leave to provide the August 2026 data (which has been provided to the ACCC as Annexure A to its public benefit application of 13 October 2026). The weight the share figures can bear is addressed at paragraph 38; the divestiture the Undertaking requires, which reduces the increment to approximately [redacted], at paragraph 48.

THE FUTURE WITHOUT THE PROPOSED ACQUISITION

RACI

13. **RACI will not continue operating on a status quo basis**: RACI is a member-owned insurer whose entire book is concentrated in a single State, with up to [redacted]% of its policyholders concentrated in the Perth metropolitan area. RACI faces structural pressures – concentrated catastrophe risk, constrained access to capital, rising regulatory and technology costs and [redacted] reinsurance bargaining power – [redacted]. RAC has [redacted] (Reasons [3.7]). The ACCC accepts that RACI 'is likely to face increased expenses in the future, including higher claims costs, technology costs, and regulatory costs' (Reasons [2.8]). Its findings establish that RACI is currently financially viable (Reasons [9.10]-[9.22], [9.113]). [redacted]. The question is whether RACI would [redacted]. The ACCC's counterfactual has two stages: RACI continuing to compete vigorously as a standalone insurer in the short to medium term, [redacted] Reasons [redacted], [9.117], [9.123]).

[redacted]The correct counterfactual is one of [redacted]RAC retaining RACI and [redacted]o address its concentration risk (paragraph 21), [redacted] (paragraph 20). RACI is not a business [redacted](contrary to Reasons [2.8]-[2.9], [redacted], [redacted]), for the following reasons.

14. **RACI's market share overstates its competitive position**: RACI's single-State book and [redacted] product range expose it to a concentration risk that national insurers are able to mitigate through their diversification strategies; up to [redacted]% of its customers are in metropolitan Perth. The ACCC accepts these matters (Reasons [9.87]), and its expert accepts that RACI 'may lack some of the advantages of larger national or international general insurers' (Reasons [9.114]). The risks and capital requirements associated with RACI's growth are now too big for RAC, and its strategy [redacted](Reasons [7.6], [redacted], 30 June 2026 [14] (**Mather 1**)). The ongoing constraint RACI imposes on rivals is not the constraint its historical share suggests.

15. **RACI's recent profitability is not a reliable guide** (contrary to Reasons [9.10]-[9.22]): [redacted](Reasons [9.14], [9.16], [9.46]). But the ACCC accepts that an insurer's result in any one year reflects the claims environment, that RACI's recent profits have 'in part' been assisted by benign weather and that underwriting is inherently volatile (Reasons [9.9], [9.16], [9.20], [9.22]). [redacted] (Reasons [9.19], [10.36]), a strategy the ACCC elsewhere treats as temporary (Reasons [10.33]). A record built on benign weather and higher prices is no foundation for a finding that RACI will [redacted].

16. **Capital** (contrary to Reasons [9.17], [9.23]-[9.26], [9.39]-[9.46]): as a member-owned organisation, RAC cannot raise capital through equity markets and must fund growth from reinvestment, which limits RACI's ability to respond to rising costs, absorb losses and invest in technology. Rising claims, perils, technology and regulatory costs do not fall evenly: a national insurer spreads them across a national book; RACI cannot. The ACCC accepts each of these matters (Reasons [9.8], [9.40], [9.45], [9.96], [9.98], [9.104]). It nonetheless finds it [redacted], and that RACI is 'well-positioned' to [redacted](Reasons [9.26]), while accepting that [redacted](Reasons [9.25]) and that there is [redacted]Reasons [9.24]). That finding moves from the availability of capital (Reasons [9.39], [9.46]), itself the

product of [redacted] to [redacted]. They are different questions. The second is answered not by an inference about allocation decisions the RAC Board has not made, but by the decision it has made: [redacted].

17. **Technology** (contrary to Reasons [9.34]-[9.36]): RACI's core platform is [redacted] Reasons [9.28]-[9.30]); [redacted]' (Reasons [9.31]). The ACCC accepts that RACI will likely need to expend [redacted] Reasons [9.38], [9.45]), but discounts the evidence because its impact is [redacted] (Reasons [9.36]). The counterfactual is forward looking. The cost is uncertain, [redacted], with estimates [redacted] Reasons [9.32], [redacted], 26 February 2026 [25]); whatever the figure, it must be funded from a single-State book [redacted].

18. **Catastrophe risk and reinsurance** ([redacted] Reasons [9.49]-[9.92], [9.115]): because of its concentration, [redacted] Reasons [9.53], [9.61]). RACI must also hold capital against a single-city exposure that a national insurer diversifies away. That is a continuing cost and capital [redacted], and it shaped [redacted] (Reasons [3.7]). The ACCC accepts that RACI [redacted] (Reasons [9.75], [9.78]) and that Perth earthquake risk [redacted] Reasons [8.26], [9.70]); its answer that [redacted] (Reasons [9.115]) acknowledges the exposure and says nothing about the cost of carrying it in the meantime.

19. **Pricing** (contrary to Reasons [9.97], [10.14], [13.14]): the finding that RACI's [redacted] is unlikely to differ from its recent approach rests on RACI's [redacted] Reasons [10.33], [10.39]). But the ACCC also refers to a statement from the [redacted] and that [redacted] (Reasons [10.37]). The finding that [redacted] would not materially affect RACI's competitiveness (Reasons [9.97]) is contradicted by the evidence that [redacted] (Reasons [9.19], [10.31], [10.36]), that low pricing was the foundation of its growth (Reasons

[10.34]-[10.35], [13.31]) and by the ACCC's own reliance on [redacted] (Reasons [9.39], [9.46]).

20. **The [redacted] finding does not withstand scrutiny** (contrary to Reasons [9.5], [9.118]-[9.123]). First, it was not foreshadowed: neither the Notice of Competition Concerns nor any later correspondence put the parties on notice of it, and IAG reserves its right to apply under s 100S(2)(b) of the Act to provide information directed to it. Secondly, it is contradicted by the sale process RAC has already run. [redacted] Reasons [7.10], [9.121]-[9.122]); [redacted], 29 July 2026, T127); [redacted] (Reasons [9.123]). No evidence is cited for that step, and it is contrary to the only evidence: [redacted] (Reasons [9.121]) – [redacted] at [79]). RAC is not [redacted]. The weight given to a counterfactual depends on the likelihood of its occurring, and it is an error of principle to give weight to one that lacks an evidentiary foundation: *ANZ/Suncorp* at [149], [151]. [redacted] Its counterfactual is a hypothesis, not an evidence-based finding.

21. **The correct counterfactual is a RACI** [redacted]: whether or not RAC [redacted] Reasons [9.120]), the pressures the ACCC accepts would require RAC progressively to [redacted] paragraph 20). This would involve [redacted]

[redacted] Reasons [10.40]), [redacted] at [34]), [redacted] paragraph 14). [redacted] Reasons [9.123]); [redacted] (Reasons [9.120]) [redacted]. IAG will apply under s 100S(2)(a) of the Act for leave to provide the evidence on this issue filed with its public benefit application, which post-dates the Determination.

IAG

22. **IAG's presence in Western Australia is modest and** [redacted], and the constraint said to be lost is a modest one (contrary to Reasons [2.7], [10.15]-[10.28], [13.15]-[13.25]): NRMA ranks [redacted] for brand awareness in the State, and [redacted] (Reasons [10.16], [13.16]). The ACCC accepts both matters (Reasons [10.20], [13.24]) but treats IAG's share across all of its brands as [redacted] That share derives from data the ACCC itself regards as less reliable than APRA data (Reasons [10.7]); the policy counts are IAG's own records, and they [redacted].

23. **IAG would not be a stronger competitor without the Proposed Acquisition** (contrary to Reasons [10.17]-[10.28], [13.21]-[13.25]): IAG does not dispute that it has national scale, the NRMA brand and digital and reinsurance capability (Reasons [10.17]-[10.28]). The question is whether, without the Proposed Acquisition, it would deploy them to grow in Western Australia, and its conduct and resource allocation answer it. The ACCC accepts that IAG has [redacted] (Reasons [10.21], [10.157]); [redacted] (Reasons [10.157]). The documents on which the ACCC relies (Reasons [10.21]) record [redacted]. The finding that IAG would compete more strongly is contradicted by IAG's conduct in recent years, which has been [redacted]. There is insufficient evidence to conclude that IAG is likely to become more competitive in a 'no sale' counterfactual: cf *ANZ/Suncorp* at [717]-[721].

24. **The ACCC's treatment of IAG is inconsistent with its treatment of every other national insurer**: the ACCC finds that the national insurers, with their national brands, scale and capability, have struggled to grow in Western Australia (Reasons [10.112]-[10.122]), yet treats

the same attributes in IAG – the NRMA brand, digital capability and reinsurance arrangements (Reasons [10.22]-[10.28]) – as the foundation of a stronger future competitor. IAG is in no better position than they are. The same facts cannot cut both ways: paragraph 31 below. In any event, the Undertaking passes IAG's NRMA-branded Western Australian book to an approved rival: paragraph 48.

COMPETITION ANALYSIS

Applicable principles

25. On review, the Tribunal may affirm, set aside or vary the Determination and may exercise all the functions and powers of the ACCC (s 100N(1) of the Act), and s 51ABZE(2)(c) applies to it as it applies to the ACCC (s 100N(2)(a)): the Tribunal may not determine that the Proposed Acquisition must not be put into effect unless it is satisfied that the Proposed Acquisition, if put into effect, would, in all the circumstances, have the effect, or be likely to have the effect, of SLC in any market. The assessment is forward-looking and comparative, contrasting the likely future with and without the Proposed Acquisition: *ACCC v Pacific National Pty Ltd* (2020) 277 FCR 49 at [216]-[217]. In making its determination, the Tribunal must have regard to the object of the Act and to all relevant matters, including the interests of consumers (ss 51ABZE(3), 51ABZH(2) of the Act), and may have regard to the contract pursuant to which the acquisition is to take place and to the commercial relationships of the parties (s 51ABZH(3)(a) and (b) of the Act); contrast s 90(7) and *Telstra/TPG* at [144]-[159]. The effects to be weighed include positive effects on competition, as the ACCC accepts (Reasons [6.10]). The ACCC made no finding under s 51ABZH(4) of the Act; its case is that rivalry between IAG and RACI would be lost and not replaced.

26. Market shares are the beginning of the analysis, not the end. A large share does not of itself denote market power: *Re Queensland Co-operative Milling Association Ltd* (1976) 25 FLR 169 at 188-189; *Queensland Wire Industries Pty Ltd v Broken Hill Proprietary Co Ltd* (1989) 167 CLR 177 at 188-190. A competitor with a small share may impose a material constraint, as the ACCC accepts (Reasons [10.111]). What matters is the competitive force each party can realistically exert in the future without the Proposed Acquisition (*ANZ/Suncorp* at [286]-[291]) and whether, with it, the merged firm could charge more or give less for want of competitive constraint. In markets with significant churn and low switching costs, market share measures the past; the constraint that matters is the ease with which customers can switch. A determination that an acquisition may be put into effect may include conditions, and the threshold for doing so is lower than the threshold for prohibition: paragraph 46 below.

Application of the principles

27. Applying those principles, the Tribunal would not be satisfied of an SLC. The counterfactual is a RACI that RAC retains and [redacted], its competitiveness constrained by structural pressures that the ACCC[redacted] (paragraphs 13 to 21), and an IAG whose presence in the State is modest [redacted] (paragraphs 22 to 24). With the Proposed Acquisition, the markets remain contested by six national insurers that are investing in the State and by new entrants (paragraphs 28 to 32); IAG and RACI are not close competitors, and the indicated price effects are small (paragraphs 33 to 36); the share and concentration figures measure the past (paragraph 38); the Proposed Acquisition has pro-competitive effects that the Reasons record but do not weigh (paragraph 39); the RAC offering continues under the Distribution Agreement (paragraphs 41 to 45); and the Undertaking removes substantially all of the overlap and entrenches those disciplines under ACCC oversight (paragraphs 46 to 49). Each of the ACCC's contrary findings identified at paragraph 7 is in error for the reasons that follow.

Rivalry from national insurers and new entry

28. **The markets are highly competitive**, in Western Australia as elsewhere, with price-sensitive customers, low switching costs and large, well-resourced national rivals with established brands and scale (paragraph 11). The question is whether rivals have the ability and incentive to defeat any attempt by the merged entity to charge more or give less. Their conduct shows that they do, and the Proposed Acquisition will not alter those dynamics (contrary to Reasons [2.12], [10.105]-[10.141], [13.67]-[13.85]).

29. **The ACCC's own contemporaneous decisions are consistent with IAG's position**: the ACCC did not oppose IAG's acquisition of RACQI or Allianz's acquisition of RAAI (Reasons [3.13], [4.22]), each involving a motoring club's underwriter and a long-term exclusive distribution agreement. The Reasons identify no respect in which the Distribution Agreement is weaker than those arrangements; [redacted]. The only distinction drawn is RACI's share, which returns the analysis to the point answered at paragraph 38.

30. **The ACCC's 'impediments' analysis is contradicted by conduct**: the rivals the ACCC discounts are investing in the State (Reasons [10.123]-[10.126]); Auto & General [redacted] and Suncorp has [redacted] Reasons [10.140]), and the mid-tier insurers have [redacted] paragraph 12); the ACCC's own switching analysis records diversion to Youi at around [redacted] (Reasons [10.78]); and the ACCC accepts that all of them would continue to compete after the Proposed

Acquisition (Reasons [10.107]). Rivals will respond by investing: [redacted] (Reasons [10.117]), [redacted] Reasons [13.75]); cf *ANZ/Suncorp* at [695]. An assessment that discounts every rival, established and new, in markets this dynamic is an approach in which no rival could ever count. If such evidence of investment, growth and switching is insufficient for rivals to be recognised as effective competitive constraints, it is difficult to see what would suffice.

31. **The ACCC's treatment of brand strength is internally inconsistent**: the ACCC relies on IAG's national brand strength to characterise IAG as a meaningful competitive force in Western Australia (Reasons [2.7], [10.24]-[10.26], [10.60]), yet discounts the six other national insurers – each well resourced, established in the State, with strong brands and the scale to expand – as facing 'impediments'. If national brand strength makes IAG formidable in Western Australia, it cannot leave Suncorp (AAMI), Allianz, QBE, Auto & General (Budget Direct), Youi and Hollard impotent there. The ACCC's own Canstar comparisons (Reasons [10.62]-[10.63], [13.46]-[13.50]) rate rivals' products as highly as the parties'.

32. **Barriers to entry and expansion do not insulate the merged entity** (contrary to Reasons [2.13], [10.142]-[10.169], [13.86]-[13.94]): the ACCC accepts that the barriers are 'not insurmountable' and that expansion by existing insurers is 'more likely than entry' (Reasons [10.145], [13.94]). Expansion is the relevant constraint, and it is occurring: Auto & General, Youi and Hollard have [redacted] since 2021 in both motor and home (paragraph 12). Entry, too, continues: Zurich entered both lines during the ACCC's own review (paragraph 11).

IAG and RACI are not close competitors

33. **IAG and RACI compete, but they are not materially closer to each other than to other insurers** (contrary to Reasons [2.11], [10.54]-[10.90], [13.43]-[13.64]): RAC's offering is embedded in a member proposition built on roadside assistance heritage, member benefits and broader member services; NRMA competes without those attributes, under a brand introduced to the State only in 2021 (Reasons [10.24]). RACI regards [redacted] as its closer rivals (Reasons [10.133], [13.81]), and IAG's competitor set in the State is [redacted] (Reasons [10.132]).

34. **The closeness finding rests on little**: the ACCC's comparison of average and median premiums does not adjust for insured values, [redacted] and excludes other insurers (Reasons [10.55]); after controlling for insured value, [redacted] (Reasons [10.64]); and the ACCC ultimately placed no significant weight on its pricing comparisons (Reasons [10.70], [13.55]).

What remains is that [redacted] (Reasons [10.59]), [redacted] evidence that they compete, not that either is the other's closest competitor.

35. **Switching data do not reveal close competition**: [redacted] because it is the largest insurer, not because the two compete closely. The ACCC concedes the point: the diversion ratios it calculated [redacted] (Reasons [10.90], [13.64]), and diversion in proportion to share 'may indicate firms are equally close or equally distant' (Reasons fn 496). In the most recent period, diversion from IAG to RACI [redacted] while diversion from RACI to IAG [redacted] (Reasons [10.83], [13.63]): the pattern of firms that are neither especially close nor especially distant. The [redacted] figure derived from national RFI data (Reasons [10.84]) is unreliable for the reasons given by IAG's expert, Mr Ockerby, in his reply report (the **Second Ockerby Report** dated 1 July 2026) (Reasons [10.85]-[10.86]); the ACCC's own confidence interval for it is [redacted] easons fn 491).

36. **The indicated price effects are small**: on Mr Ockerby's linear analysis the combined indicative price rises (on a combined IAG/RACI basis) are [redacted] motor) and [redacted] (home) (the **First Ockerby Report** dated 3 March 2026, Table 5-10) (Reasons [10.182], [13.98]); his merger simulations indicate price effects of [redacted] (motor) and [redacted] (home) (weighted average of merging firms), and [redacted] (motor) and [redacted] (home) (weighted average of all firms) (Reasons [10.185], [13.100]). The ACCC's own estimates, on inputs that inflate the result, produce indicative price rises for RAC-branded products of [redacted] motor) and [redacted] to [redacted] (home) (Reasons [10.198], [13.109]). Indicative price rises for IAG are estimated as [redacted] to [redacted] (motor) and [redacted] to [redacted] (home). The ACCC gave these quantitative measures no significant weight (Reasons [10.173], [10.202], [13.114]), while accepting that such tools, used appropriately, form part of a holistic assessment (Reasons [10.177]; Supplementary Smith Report at [21]). The ACCC's further assertion that the modelled effects would be 'amplified' by a change in RACI's objectives (Reasons [10.174]) is unquantified. The modelling, to which the ACCC failed to give proper weight, affirmatively supports the conclusion that there would be no SLC; and every estimate predates, and takes no account of, the divestiture the Undertaking requires.

37. **The distribution commission does not establish a price effect**: the ACCC separately modelled the pass-through of the commission payable to RAC [redacted] of [redacted] to [redacted] (motor) and [redacted] to [redacted] (home) (Reasons [10.203]-[10.204], [13.115]). That modelling treats the commission as a new marginal cost in a monopolised market. It is not. The commission remunerates distribution [redacted] (Reasons [10.204], fn 702), replaces the rising cost base the ACCC accepts RACI would

otherwise carry (paragraph 16), and is earned by a distributor whose return rises with the volume that only competitive pricing sustains; and IAG's ability to pass any of it through is limited by the same rivals, and the same benchmarking obligation, that constrain RAC-branded pricing generally (paragraphs 41 to 45).

Market shares and concentration

38. **The share figures look backwards and carry far less weight than the ACCC gives them** (contrary to Reasons [2.5], [2.10], [10.4]-[10.14], [10.31], [10.109]-[10.122], [13.4]-[13.14], [13.71]-[13.78]): concentration measures do not measure competition. Here they are inflated by RACI's share, built on pricing and growth [redacted] Reasons [7.6], [10.36]) and occurred in circumstances that were quite unusual, including because during COVID lockdowns consumers in Western Australia increasingly looked to local brands that they knew ([redacted], 3 March 2026 [32]-[35]). [redacted] (paragraphs 14 to 19). IAG's policy numbers have [redacted], and RACI's motor share has [redacted] Reasons [10.31], [10.36]) and has continued to [redacted] since the data on which the ACCC relied (paragraph 12). The APRA shares the ACCC preferred (Reasons [10.6]-[10.7], [13.5]-[13.6]) are premium-based: they rise with [redacted] and say nothing about customer numbers, which the volume data measure; and, not having been disclosed in full, they could not be tested.

Pro-competitive effects

39. **The Proposed Acquisition is pro-competitive**: its rationale is not the removal of a competitor. It is the reinforcement of a complementary business in a State where IAG's presence is not substantial, enabling the RAC offering to compete more effectively against the national insurers (Reasons [3.6]). With the Proposed Acquisition the RAC offering continues with each of the structural pressures described at paragraphs 14 to 18 addressed: RACI's systems will be integrated into IAG's platform, its book will form part of a diversified national portfolio and its reinsurance will be brought within IAG's cover. The effects are concrete: lower reinsurance and claims costs through IAG's national program and claims analytics, a modern digital platform uplift [redacted] paragraph 17), national catastrophe response capacity and the capital to grow rather than [redacted] (paragraph 14), each bearing on the price and service of the RAC-branded offering. The ACCC's expert accepts that the Proposed Acquisition would address RACI's [redacted] (Supplementary Carmichael Report at [4.5]), and the ACCC accepts IAG's IT capability, access to capital and reinsurance

relationships (Reasons [2.7], [10.27]-[10.28]). The Reasons record these matters but do not weigh them.

Vertical effects and the acquisition of smash repair services

40. The ACCC was not satisfied that vertical effects would amount to an SLC, for want of evidence of incentive (Reasons [2.14], [11.7]), or that the merged entity would have the ability and incentive to exercise monopsony power in the acquisition of smash repair services (Reasons [2.15], [12.6]-[12.7]). Those conclusions were correct. IAG does not accept the finding that the merged entity would have the ability to foreclose rivals' access to repair services in certain regional markets (contrary to Reasons [11.4]-[11.5]), but nothing turns on it: the Undertaking prohibits the very conduct hypothesised in each region the ACCC identified (paragraph 47(c)).

THE DISTRIBUTION AGREEMENT

The architecture of the Distribution Agreement

41. **Constraints on IAG**: IAG's discretion on pricing and product design (cl 8.1(a)) and its responsibility for claims (cl 18.1(a)) are subject to obligations owed to RAC Holdings and enforceable by it:

    a. a **most favoured nation** obligation: [redacted] cl 8.4(a));

    b. **price competitiveness consultation** obligations: [redacted]

    c. a **competitiveness framework and benchmarking process**: [redacted] (cl 8.6(c));

    d. a detailed **monitoring process** under Schedule 4: [redacted];

e. **product pricing and design principles**, [redacted]

f. **sales and member service**, which remain the primary responsibility of RAC Holdings (cll 5.1, 17(a)), as the ACCC accepts (Reasons [10.100]); and

g. **claims**: IAG must maintain a local physical claims presence in Western Australia (cl 18.2(a)); [redacted]

42. **Remedies under the Distribution Agreement in favour of RAC**: the remedies escalate, some from the first day of the alliance. [redacted]

The Distribution Agreement preserves the RAC offering and constrains IAG

43. **The Distribution Agreement must be taken into account**: the Act requires regard to all relevant matters and permits regard to the contract pursuant to which the acquisition is to take place and to the parties' commercial relationships (paragraph 25). The assessment must therefore take into account the disciplines the Distribution Agreement imposes, and IAG's incentive to preserve what it is paying for. IAG is paying approximately $1.35 billion for RACI and the Distribution Agreement (Reasons [3.3]), an investment whose value depends on preserving the service quality and brand reputation the ACCC identifies as RACI's strengths (Reasons [10.40]-[10.53]). Under the Undertaking, IAG must also transfer the renewal rights to in-force NRMA-branded home and motor insurance policies covering risks in Western Australia. Its continuing home and motor insurance business in the State will therefore depend on the Distribution Agreement. That gives IAG a strong and direct commercial incentive to remain focused on that business, maintain service quality and compete effectively.

44. **The Distribution Agreement is a real and enduring constraint** (contrary to Reasons [10.97]-[10.104], [13.66]): RAC-branded products will continue to be distributed by RAC Holdings to its members, underwritten by IAG, subject to the most favoured nation obligation, mandatory benchmarking against Western Australian competitors, enforceable remediation obligations and exclusivity and termination rights, some exercisable from the first day of the alliance, others from the third year. Any attempt by IAG to raise premiums, reduce quality or diminish service under the RAC brand would put its distribution relationship at risk, product line by product line; the loss of any product line to a rival would undermine the rationale for, and economics of, the acquisition, IAG having already paid for the business. RAC's commission aligns its interest with the volume of the book, which only competitive products sustain; neither party gains from a RAC-branded offering that loses members. [redacted]. They are not decorative. They were negotiated by a member-owned organisation whose brand is its principal asset.

45. **The ACCC's objections to the Distribution Agreement do not withstand scrutiny**:

a. Claims handling (Reasons [10.100]): [redacted] IAG will in any event have every incentive to retain RAC's claims philosophy, which the ACCC identifies as RACI's key competitive strength (Reasons [10.40]-[10.47]): cf *ANZ/Suncorp* at [688].

b. The benchmark is external, and the 'counterfactual' objection proves too much (Reasons [10.98], [10.104]): [redacted]. The objection that the benchmark refers to competition 'in the factual' rather than the counterfactual would condemn any contractual competitiveness mechanism, however stringent, because every such mechanism must refer to prevailing market offers. It also assumes the conclusion: the benchmark is set by the offers of six national rivals, which the Proposed

Acquisition affects only if those rivals would be relieved of competitive pressure, the very question in issue.

c. The remedies are real and graduated (Reasons [10.99], [10.102]-[10.103]): [redacted]. A constraint does not cease to be real because its ultimate sanction is held in reserve; it is effective precisely because the earlier steps are credible and inexpensive for RAC to invoke. The 'ambiguities' the ACCC identifies (Reasons [10.99]) are ordinary contractual standards ('reasonable endeavours', 'material') that adjudicators apply daily; [redacted] (Reasons [10.99]) guards against transient results, [redacted] (Reasons [10.102]-[10.103]) are standard run-off provisions, and no obstacle to switching: the policies are annual and members follow the brand, so a book from which RAC directs new business elsewhere erodes within a renewal cycle or two, which is what makes the carve-out a credible threat; the termination rights the ACCC described as available only after extended periods (Reasons [10.102]) now arise in the third year; and Schedules 3 and 4 are in an advanced state of negotiation and are expected to be agreed within a short time frame, and the Undertaking prevents their amendment without ACCC consent (paragraph 47(b)). RAC's incentives are not in doubt: it is member-owned and its brand is its business.

CONDITIONS AND THE UNDERTAKING

46. **The Tribunal's power**: Exercising the ACCC's powers, the Tribunal may impose conditions, including that a specified person give and comply with a s 87B undertaking (ss 51ABZF(1), 100N(1)(b)). It may do so if satisfied that, disregarding conditions, the acquisition could, in all the circumstances, have the effect of SLC in any market – a lower threshold than prohibition (ss 51ABZF(2), 100N(2)(b), 51ABZE(2)(c)). It must consider all relevant matters and may consider the effect of compliance on consumers' interests and any resulting consumer benefits (s 51ABZF(3)). Its determination is taken to be the ACCC's, so an undertaking given under such a condition is accepted and enforceable by the ACCC under s 87B (s 100N(4)).

47. **The Undertaking**: The Undertaking offered to the Tribunal is the same one lodged with IAG's public benefit application under s 51ABZP of the Act on 13 October 2026 and enhances the undertaking offered to the ACCC on 1 July 2026 (the **First Undertaking**), considered at Reasons ([14.1]-[14.32]). Its stated objective is 'to address the ACCC's competition concerns' (cl 2.10). It operates for ten years from completion (cl 3.2) and requires IAG:

a. **Divestiture** (cll 5-9, Sch 5): to transfer the renewal rights to in-force NRMA-branded home and motor insurance policies covering risks in Western Australia, with the associated policy and business records and, at the purchaser's option, the SGIO brand and the personnel required to operate the book, to an independent purchaser approved by the ACCC as able to operate the business as a viable long-term competitor (cl 6.6); [redacted] (Confidential Sch 6); holding separately in the interim under an ACCC-approved independent manager and separation plan (cll 7-8);

b. **Distribution Agreement terms** (cl 10): to comply with, and not to amend without ACCC approval on the independent auditor's recommendation, cll 8.4, 8.5, 8.6, 32.1, 32.2(a)-(f) and (h) and 32.5 and Schedules 3 and 4 of the Distribution Agreement (cll 10.2, 10.4), the cl 32.2 termination rights being exercisable from three years after commencement rather than eight (cl 10.2(e)); RAC Holdings may report breaches to the auditor (cl 10.3);

c. **Smash repair services** (cl 11): not to offer, require, request, rely on or enforce terms requiring repairers in Karratha, Kalgoorlie, Margaret River, Busselton, Geraldton, Esperance, Broome or Port Hedland to favour IAG or deal exclusively with it, or penalising dealings or rewarding non-dealing with other insurers (cl 11.2); to notify those repairers of the Undertaking (cl 11.3); and to comply with the Motor Vehicle Insurance and Repair Industry Code of Conduct in WA (cl 11.4);

d. **Service levels** (cl 12): to maintain a WA contact centre (cl 12.6); to use reasonable endeavours to maintain RAC-branded motor and home claims service at or above national NRMA, RACV and RACQ standards, measured quarterly by transactional net promoter score across lodgement, repair and settlement (cll 12.2–12.4); and to investigate and remedy any rolling twelve-month shortfall, notifying the auditor (cl 12.5);

e. **Geographic reach and community investment** (cll 13-14): to offer RAC-branded home insurance on mainland Western Australia north of the 26th parallel within twelve months of completion and for the term (cl 13.2), and to commit at least $20 million through a Western Australia Community Fund over the term (cll 14.2-14.3); and

f. **Compliance** (cll 16-17): to appoint a compliance officer (cl 16.2) and an ACCC-approved independent auditor reporting to the ACCC within six months of completion and annually thereafter (cll 17.2, 17.14), and to implement the auditor's recommendations and the ACCC's directions (cll 17.15-17.16).

48. **The Undertaking answers the Determination**. First, divestiture removes substantially all existing overlap between IAG and RACI in Western Australia. The Determination rests on combining the largest and third largest suppliers (Reasons [2.10], [10.3], [10.18]). Divesting

the NRMA-branded book reduces the Proposed Acquisition's increment to approximately [redacted] giving a combined share of approximately [redacted] against RACI's current [redacted] the residual increment is IAG's intermediated and partner-brand business, approximately [redacted] of motor and [redacted] of home insurance. The purchaser, approved by the ACCC as independent, financially sound and able to operate the business as a going concern (cl 6.6), acquires an established book of up to [redacted]% with its records and, if it elects, personnel and the SGIO brand; and the policies are annual, so the book passes within a year of the sale agreement. By bolstering an existing insurer's position while reducing the acquisition's increment, the Undertaking directly addresses the transaction's competition concerns. Secondly, the Distribution Agreement's disciplines are entrenched for ten years under ACCC oversight, with RAC's termination rights available from the third year. The objection that the First Undertaking was behavioural and time-limited (Reasons [14.6]-[14.9]) has no application to a structural divestiture backed by a 20-year distribution agreement. Thirdly, the service-level commitment answers the ACCC's concern about claims handling (Reasons [10.100]) with objective, audited benchmarks, and the smash repair commitments remove the ability the ACCC hypothesised (paragraph 40). The remaining objections – specification and complexity (Reasons [14.10], [14.12]) and the limited nature of the Distribution Agreement protections (Reasons [14.17]-[14.19]) – are answered at paragraph 45; the commitments are clear, objective and audited.

49. **The condition**: IAG advances the Proposed Acquisition on the footing that it will give the Undertaking. If satisfied under s 51ABZF(2), the Tribunal should condition its approval on IAG giving the Undertaking and complying with it. The alternative does not depend on acceptance of IAG's primary case. The condition is appropriate having regard to all relevant matters (s 51ABZF(3)(a)): it reduces the acquisition's market share increment while bolstering an existing insurer, preserves the RAC offering under disciplines the ACCC can enforce and secures for consumers local claims service, home insurance in northern Western Australia and $20 million of community investment, each a consumer benefit of compliance to which the Tribunal may have regard (s 51ABZF(3)(b)).

DETERMINATION SOUGHT

50. Having regard to all the matters above, IAG seeks a determination that **(1)** the Determination be set aside under s 100N(1)(a) of the Act; **(2)** the Proposed Acquisition may be put into effect under ss 51ABZE(1)(a) and 100N(1)(b) of the Act; and **(3)** if the Tribunal is satisfied as described in s 51ABZF(2) of the Act, the determination in (2) include a condition under s 51ABZF(1) of the Act that IAG give, and comply with, an undertaking under s 87B of the Act in the form of the Undertaking.

Public Version

Undertaking to the Australian Competition and Consumer Commission

Given under section 87B of the *Competition and Consumer Act 2010* (Cth) by Insurance Australia Group Limited (ACN 090 739 923)

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1. Person giving the Undertaking

1.1. This Undertaking is given to the Australian Competition and Consumer Commission (**ACCC**) by Insurance Australia Group Limited (ACN 090 739 923) (**IAG**).

2. Background

The parties to the Proposed Transaction

2.1. **IAG** (ACN 090 739 923): IAG is an ASX listed general insurance company operating in Australia and New Zealand. IAG provides a range of personal and commercial insurance products in Australia directly under its owned brands, including NRMA Insurance, WFI and ROLLiN', as well as products distributed by RACV (where the insurance product is manufactured by Insurance Manufacturers of Australia Pty Limited which is 70% owned by IAG and 30% owned by RACV) and RACQ. IAG also provides intermediated insurance through brokers, authorised financial representatives, institutions and agents under the CGU and WFI brands. IAG also underwrites insurance products distributed by financial institutions, including Bendigo Bank, People First Bank, Australian Military Bank and ANZ Bank.

2.2. **RAC** (ABN 33 212 133 120): The Royal Automobile Club of WA Limited (**RAC**) is a West Australian company limited by guarantee that provides roadside assistance, general insurance products and other ancillary services to its members. RAC offers personal lines general insurance which is underwritten by its subsidiary RAC Insurance Pty Limited (**RACI**).

2.3. **RACI** (ACN 094 685 882): RACI underwrites motor insurance and home and contents insurance for RAC and will be acquired by IAG as part of the Proposed Transaction.

The Proposed Transaction

2.4. On 15 May 2025 IAG, RACI Pty Ltd (ACN 008 671 805) and RACWA Holdings Pty Ltd (**RACWAH**) (ACN 008 985 877) entered into a Share Sale Deed pursuant to which IAG will acquire 100% of the issued share capital in RACI from RACI Pty Ltd, a wholly owned subsidiary of RAC (**Share Sale Deed**) and RACWAH and RACI will enter into a strategic distribution alliance pursuant to the Distribution Agreement and Brand Licence Agreement (the **Proposed Transaction**).

2.5. The Proposed Transaction will result in IAG underwriting personal lines motor insurance and home and contents insurance distributed under the RAC brand. Other products currently distributed by RAC under other underwriting arrangements (ie, travel insurance, health insurance and life insurance) are excluded from the Proposed Transaction.

2.6. The Proposed Transaction does not involve the acquisition by IAG of RAC's roadside assistance business or its other operations including RAC's auto servicing and repair services, finance, retirement living, home security, batteries, tyres, travel and tourism operations. These businesses would continue to be independently operated by RAC and are not affected by the Proposed Transaction.

The Notification

2.7. On 3 March 2026, IAG lodged a notification under section 51ABW of the *Competition and Consumer Act 2010* (Cth) (**CCA**) seeking an acquisition

determination from the ACCC under section 51ABZE(1)(a) of the CCA that the Proposed Transaction may be put into effect (the **Notification**).

2.8. On 23 September 2026, the ACCC made a determination that the Proposed Transaction must not be put into effect.

2.9. On 13 October 2026, IAG lodged an application in relation to the Notification with the ACCC seeking a determination under s 51ABZW(1)(a) that the Proposed Transaction would be of net public benefit (**Public Benefit Application**).

2.10. The objective of this Undertaking is to address the ACCC's competition concerns about the Proposed Transaction and support the Public Benefit Application.

3. Commencement and Term of this Undertaking

3.1. This Undertaking comes into effect when:

(a) this Undertaking is executed by IAG; and

(b) this Undertaking so executed is accepted by the ACCC,

(the **Commencement Date**).

3.2. The Undertaking will commence on the Commencement Date and will operate for a term of 10 years from the Control Date (**Term**).

4. Cessation of Ongoing Obligations

Withdrawal

4.1. IAG may request withdrawal of this Undertaking pursuant to section 87B of the CCA at any time. This Undertaking is taken to be withdrawn on the date the ACCC consents in writing to that withdrawal.

Revocation

4.2. The ACCC may, at any time, revoke its acceptance of this Undertaking if the ACCC becomes aware that any information provided to it was incorrect, inaccurate or misleading. Such a revocation must be express and in writing.

Waiver

4.3. The ACCC may, at any time, waive any of the obligations contained in this Undertaking. Such a waiver must be express and in writing.

Extension of time to comply with obligations

4.4. The ACCC may, at any time, extend the date by which any of the obligations in this Undertaking are to be satisfied. Such an extension must be express and in writing. This does not permit extension to the Term of the Undertaking.

Survival

4.5. Unless and until this Undertaking is withdrawn in accordance with section 87B of the CCA, clause 4.1, clauses 1.1 – 4.5, 17.1–17.20 and 18.1 – 26.2 survive completion of the obligations in clauses 5.1 to 8.14, 9.1 to 9.16, 10.1 to 17.20 (inclusive) and Schedule 5 and Confidential Schedules 6 and 7.

Part A: Divestment Obligations

5. Divestiture of the Divestiture Business

Divestiture

5.1. IAG must, in accordance with this Undertaking, divest, or cause the divestiture of, the Divestiture Business only to an Approved Purchaser.

5.2. In the event that section 9 applies, IAG must not authorise the Approved Divestiture Agent to divest the Unsold Business to a purchaser other than an Approved Purchaser.

5.3. IAG must divest, or cause the divestiture of, the Divestiture Business by:

(a) the sale, assignment, transfer and/or licence of all of the assets in Schedule 5 to the Approved Purchaser, pursuant to the Approved Sale and Purchase Agreement and within the Initial Sale Period, otherwise section 9 applies;

(b) the transfer or grant to the Approved Purchaser of all Consents pursuant to clauses 5.4 to 5.5;

(c) the transfer of any Transferred Personnel required pursuant to clauses 5.7 to 5.8;

(d) [compliance with any Approved Transitional Technical Assistance Agreement required pursuant to clauses 5.9 to 5.11; and

(e) compliance with any Approved Transitional Supply Agreement required pursuant to clauses 5.12 to 5.14.]

Consents

5.4. IAG must:

(a) obtain or assist the Approved Purchaser to obtain as expeditiously as possible, all Consents as required before completion of the divestiture of the Divestiture Business;

(b) comply with all requirements necessary to obtain any Consents, including by promptly providing all information necessary for the Consents to be given;

(c) act in good faith in its negotiations with the Approved Purchaser in relation to obtaining any Consents;

(d) promptly pay the costs and expenses of any third party reasonably incurred in providing the Consents; and

(e) enter an agreement with the Approved Purchaser and approved by the ACCC, or vary any existing Approved Transitional Supply Agreement as required by the Approved Purchaser, in relation to any goods or services that are required for the operation of the Divestiture Business which may be affected by any failure to gain a Consent.

5.5. If, seven Business Days before completion of the divestiture of the Divestiture Business, the Approved Purchaser does not or is otherwise unable to obtain one or more Consents, then IAG must:

(a) immediately provide to the ACCC in writing details of the:

(i) Consents that have not been obtained;

(ii) reasons why the Consents have not been obtained; and

(iii) information or material required to obtain the Consents.

(b) continue to do everything in its power to satisfy clause 5.4 as soon as possible after the completion of the divestiture of the Divestiture Business (and until such time as clause 5.4 is satisfied).

5.6. Even if IAG has complied with clause 5.4 to 5.5, IAG will be in breach of this Undertaking if IAG is unable to effect the divestiture of the Divestiture Business by reason that one or more Consents are not obtained.

Transferred Personnel

5.7. At the option of the Approved Purchaser, IAG must transfer to the Approved Purchaser:

(a) all employees; and

(b) all service providers under a contract for service;

who are, in the view of the Approved Purchaser, required for the Approved Purchaser to maintain, operate or conduct effectively the Divestiture Business and who consent to the transfer of their employment or contract for service to the Approved Purchaser (**Transferred Personnel**).

5.8. When fulfilling its obligations under clause 5.7, IAG must:

(a) encourage all Transferred Personnel to remain with the Divestiture Business, including offering incentives based on industry practice;

(b) not directly or indirectly discourage any Transferred Personnel from any obligations to provide services to the Divestiture Business;

(c) effective on the date of the divestiture of the Divestiture Business, release the Transferred Personnel from any obligations to provide services to IAG;

(d) effective on the date of the divestiture of the Divestiture Business, release the Transferred Personnel from any non-compete or similar restraint of trade obligation, to the extent that such an obligation would otherwise prevent the person from performing his or her contemplated role in relation to the Divestiture Business or Unsold Business; and

(e) not procure, promote or encourage the transfer of any of the Transferred Personnel from the Approved Purchaser to IAG for a period of 12 months after the completion of the divestiture of the Divestiture Business.

[Technical Assistance

5.9. At the option of the Approved Purchaser, IAG must supply to the Approved Purchaser, under an Approved Transitional Technical Assistance Agreement, any Technical Assistance that is required by the Approved Purchaser in order to operate the Divestiture Business.

5.10. IAG must ensure that any Approved Transitional Technical Assistance Agreement, and any renewal or extension of an Approved Transitional Technical Assistance Agreement, provides for the supply of Technical Assistance:

(a) on a transitional basis for a period that is nominated by the Approved Purchaser and approved in writing by the ACCC; and

(b) at cost price and otherwise on arm's length terms.

5.11. To avoid doubt, IAG must seek prior written approval from the ACCC of any renewal or extension of an Approved Transitional Technical Assistance Agreement. Without limiting the ACCC's discretion in making a decision on whether to approve a renewal or extension of an Approved Transitional Technical Assistance Agreement, the ACCC will have regard to the criteria set out in clauses 5.9 and 5.10.

Transitional Supply Agreements

5.12. At the option of the Approved Purchaser, IAG must ensure the continued supply by IAG to the Approved Purchaser, under an Approved Transitional Supply Agreement, of any goods or services that are required by the Approved Purchaser in order for the Approved Purchaser to be established as a viable, effective, stand-alone, independent and long-term competitor in each of the supply of motor vehicle insurance and home and contents insurance in Western Australia.

5.13. IAG must ensure that any Approved Transitional Supply Agreement and any renewal or extension of an Approved Transitional Supply Agreement:

(a) is for a reasonable transitional period, to be nominated by the Approved Purchaser and approved in writing by the ACCC;

(b) provides for the supply of the included goods and services at cost price; and

(c) is on such terms other than price which are no less favourable to the Approved Purchaser than arm's length terms.

5.14. To avoid doubt, IAG must seek prior written approval from the ACCC of any renewal or extension of an Approved Transitional Supply Agreement. Without limiting the ACCC's discretion in making a decision on whether to approve a renewal or extension of an Approved Transitional Supply Agreement, the ACCC will have regard to the criteria set out in clauses 5.12 and 5.13.**]**

6. Process for approving a proposed purchaser

Potential purchasers

6.1. IAG must provide the ACCC and Approved Independent Auditor with:

(a) the identity of any person who expresses an interest in acquiring the Divestiture Business;

(b) the status of negotiations with each person; and

(c) a copy of each person's offer to acquire the Divestiture Business, where relevant;

at the following times:

(d) as soon as possible following the Commencement Date for those persons who express interest before the Commencement Date;

(e) after the Commencement Date, within 10 Business Days of each person expressing the interest and/or providing an offer;

regardless of whether the person subsequently withdraws or is declined.

Provision of a notice for a Proposed Purchaser

6.2. To seek ACCC approval for a Proposed Purchaser, IAG or the Approved Divestiture Agent must provide the ACCC with a notice in the form prescribed in Schedule 2 to this Undertaking (**Proposed Purchaser Notice**), including a draft sale and purchase agreement**[**, a draft transitional technical assistance agreement (where required by the Proposed Purchaser), and a draft transitional supply agreement (where required by the Proposed Purchaser)**]**.

6.3. The Proposed Purchaser Notice must be provided to the ACCC in accordance with Confidential Schedule 6.

Approval of a Proposed Purchaser after the Commencement Date

6.5. The ACCC may, in its discretion, approve or reject in writing the Proposed Purchaser identified in the Proposed Purchaser Notice. In exercising this discretion, the ACCC will consider, without limitation:

(a) the draft sale and purchase agreement attached to the Proposed Purchaser Notice;

(b) **[**any draft transitional technical assistance agreement attached to the Proposed Purchaser Notice, in accordance with the criteria in clauses 5.9 and 5.10; and**]**

(c) **[**any draft transitional supply agreement attached to the Proposed Purchaser Notice, in accordance with the criteria in clauses 5.12 and 5.13.**]**

6.6. Without limiting the ACCC's discretion, in making the decision pursuant to clause 6.5, the factors to which the ACCC may have regard include whether the:

(a) draft sale and purchase agreement is consistent with this Undertaking;

(b) Proposed Purchaser will complete the transaction as contemplated by the draft sale and purchase agreement;

(c) Proposed Purchaser is independent of IAG;

(d) Proposed Purchaser is of good financial standing;

(e) Proposed Purchaser has a history of competition law compliance;

(f) Proposed Purchaser has an intention to maintain and operate the Divestiture Business as a going concern;

(g) Proposed Purchaser is able to conduct the Divestiture Business effectively; and

(h) divestiture of the Divestiture Business to the Proposed Purchaser will address any competition concerns of the ACCC, including in relation to the likely long-term viability and competitiveness of the Divestiture Business under the ownership of the Proposed Purchaser.

6.7. The ACCC may revoke an Approved Purchaser's status as the Approved Purchaser if the ACCC becomes aware that any information provided to it was incorrect, inaccurate or misleading.

7. Divestiture Business Protection

Protection of the Divestiture Business

7.1. From the Commencement Date, IAG must not sell or transfer its interest, or any assets comprising part of, or used in, the Divestiture Business (other than the sale of goods and services in the ordinary course of business) or make any Material Change, except in accordance with this Undertaking or (subject to the other terms of this Undertaking) as necessary to allow completion of the Proposed Transaction.

IAG's obligations in relation to the Divestiture Business prior to completion of divestiture

7.2. Without limiting this section 7, IAG must, from the Commencement Date until completion of the divestiture of the Divestiture Business, take all steps available to it to:

(a) ensure that the Divestiture Business is managed and operated in the ordinary course of business as a fully operational, competitive going concern and in such a way that preserves the economic viability, marketability, competitiveness and goodwill of the Divestiture Business at the Commencement Date;

(b) continue to provide access to working capital and sources of credit for the Divestiture Business in a manner which is consistent with the financing of the Divestiture Business before the Commencement Date;

(c) continue to provide administrative and technical support for the Divestiture Business in a manner which is consistent with the operation of the Divestiture Business before the Commencement Date and in accordance with any plans established before the Commencement Date;

(d) continue existing Agreements relating to the Divestiture Business with customers, suppliers and/or other third parties that are in place at the Commencement Date;

(e) renew or replace upon expiry Material Contracts for the provision of goods or services to the Divestiture Business on commercial terms favourable to the Divestiture Business;

(f) maintain the supply of those goods and services that are part of the Divestiture Business to existing customers in a manner consistent with the supply of those goods and services as at the Commencement Date;

(g) maintain the standard of manufacture, distribution, promotion and sale of those products which form part of the Divestiture Business as at the Commencement Date;

(h) promote and market the products that form part of the Divestiture Business in accordance with any plans established before the Commencement Date; and

(i) from their appointment pursuant to clause 8.1, carry out such other actions or plans that the Approved Independent Manager considers to be necessary or convenient to maintain the Divestiture Business as an effectively competitive going concern.

Personnel of IAG

7.3. From the Commencement Date until completion of the divestiture of the Divestiture Business, IAG must:

(a) in consultation with the Approved Independent Manager (once appointed pursuant to clause 8.1), replace any:

(i) Transferred Personnel; or

(ii) if the Transferred Personnel have not yet been identified, any personnel necessary for the operation of the Divestiture Business;

who leave or will leave the Divestiture Business before divestiture;

(b) not terminate or vary the terms of employment or engagement (or agree to do any of those things) of any of the

(i) Transferred Personnel; or

(ii) if the Transferred Personnel have not yet been identified, any personnel necessary for the operation of the Divestiture Business; and

(c) not directly or indirectly procure, promote or encourage the redeployment of personnel necessary for the operation of the Divestiture Business as at the Commencement Date to any other business operated by IAG.

7.4. As soon as practicable after the Commencement Date, IAG must direct its personnel, including directors, contractors, managers, officers, employees and agents not to do anything inconsistent with IAG's obligations under this Undertaking.

IAG's ongoing obligations in relation to the Divestiture Business

7.5. To the extent IAG has obligations in relation to the provision of transitional technical assistance or continued supply pursuant to clauses 5.9 to 5.14 of this Undertaking in relation to the Divestiture Business, IAG must not sell, assign, transfer, and/or licence directly or indirectly any of the assets necessary to fulfil such obligations without the prior written consent of the ACCC.

Confidential Information

7.6. Subject to clause 7.7, IAG must not, at any time from the Commencement Date, use or disclose any confidential information about the Divestiture Business gained through:

(a) ownership and/or management of the Divestiture Business; or

(b) fulfilling any obligations pursuant to this Undertaking.

7.7. Clause 7.6 does not apply to information that IAG requires to:

(a) comply with legal and regulatory obligations including obligations relating to taxation, accounting, financial reporting or stock exchange disclosure requirements; or

(b) carry out its obligations pursuant to this Undertaking;

provided such information is only used for that purpose and is only disclosed to those officers, employees, contractors and advisers of IAG who need to know the information to carry out the permitted purpose.

8. Independent Management of the Divestiture Business

Obligation to appoint an Approved Independent Manager

8.1. IAG must appoint and maintain an Approved Independent Manager to manage the Divestiture Business, from the Control Date until the completion of the divestiture of the Divestiture Business in accordance with this Undertaking.

Process for approving a Proposed Independent Manager

8.2. At least 15 Business Days before the Control Date, IAG must provide the ACCC with a notice for a Proposed Independent Manager in the form prescribed in Schedule 3 to this Undertaking (**Proposed Independent Manager Notice**), including a draft terms of appointment and a draft separation and management plan.

8.3. If clauses 8.12, 8.13 or 8.14 apply, IAG must provide the ACCC with a Proposed Independent Manager Notice within five Business Days after the relevant event occurs.

8.4. The ACCC shall have the discretion to approve or reject in writing the Proposed Independent Manager identified in the Proposed Independent Manager Notice.

8.5. Without limiting the ACCC's discretion, in deciding whether to approve a Proposed Independent Manager, the factors to which the ACCC may have regard include whether the:

(a) person named in the Proposed Independent Manager Notice or identified by the ACCC has the qualifications and experience necessary to manage the Divestiture Business;

(b) person named in the Proposed Independent Manager Notice or identified by the ACCC is sufficiently independent of IAG;

(c) draft terms of appointment and the draft separation and management plan are consistent with this Undertaking; and

(d) draft terms of appointment and the draft separation and management plan are otherwise acceptable to the ACCC.

Appointment of the Approved Independent Manager

8.6. After receiving a written notice from the ACCC of its approval of the Proposed Independent Manager, the draft terms of appointment and draft separation and management plan, IAG must by the Control Date:

(a) appoint the person approved by the ACCC as the Approved Independent Manager on the Approved Terms of Appointment; and

(b) forward to the ACCC a copy of the executed Approved Terms of Appointment.

Failure to appoint

8.7. If:

(a) the Approved Independent Manager has not been appointed by the Control Date;

(b) the Approved Independent Manager has not been appointed within 15 Business Days after the Approved Independent Manager resigns or otherwise ceases to act as the Approved Independent Manager pursuant to clause 8.12, 8.13 or 8.14; or

(c) the ACCC has not received a Proposed Independent Manager Notice pursuant to clause 8.2 or 8.3;

then clause 8.8 applies.

8.8. If clause 8.7 applies, the ACCC may, in its discretion:

(a) identify and approve a person as the Approved Independent Manager, including approving the draft terms of appointment of the Approved Independent Manager and the draft separation and management plan; and/or

(b) direct IAG to appoint a person who the ACCC has deemed is an Approved Independent Manager.

Obligations and powers of the Approved Independent Manager

8.9. IAG must procure that any proposed terms of appointment for the Approved Independent Manager include obligations on the Approved Independent Manager to:

(a) maintain his or her independence from IAG, apart from appointment to the role of Approved Independent Manager, including not forming any relationship of the types described in paragraph 2.2(c) of Schedule 3 to this Undertaking with IAG for the period of his or her appointment;

(b) act in the best interests of the Divestiture Business at all times including ensuring that the Divestiture Business is managed and operated in the ordinary course of business as a fully operational, competitive going concern and in such a way that preserves the economic viability, marketability, competitiveness and goodwill of the Divestiture Business at the Control Date;

(c) not use any confidential information gained through the management of the Divestiture Business other than for performing his or her functions as Approved Independent Manager;

(d) make only those Material Changes to the Divestiture Business which the ACCC does not object to;

(e) operate and manage the Divestiture Business to the maximum extent practicable, in a manner which is financially and operationally separate from IAG;

(f) co-operate with the requests of any Approved Divestiture Agent or Approved Independent Auditor appointed pursuant to this Undertaking.

(g) provide the following reports directly to the ACCC:

(i) a monthly written report regarding the implementation of and any suggested changes to the Approved Separation and Management Plan; and

(ii) an immediate report of any issues that arise in relation to the implementation of the Approved Separation and Management Plan or IAG's compliance with this Undertaking; and

(h) follow any direction given to him or her by the ACCC in relation to the performance of his or her functions as Approved Independent Manager pursuant to this Undertaking.

8.10. IAG must procure that any proposed terms of appointment for the Approved Independent Manager provide the Approved Independent Manager with the sole authority to:

(a) manage and operate the Divestiture Business according to the Approved Separation and Management Plan until the completion of the divestiture of the Divestiture Business;

(b) provide any information requested by IAG pursuant to the protocol in the Approved Separation and Management Plan;

(c) decide whether or not to provide access and the manner of such access to competitively sensitive information relating to the Divestiture Business requested by IAG which is not covered by the protocol in the Approved Separation and Management Plan;

(d) renew or replace upon expiry Material Contracts and enter into new contracts for the provision of goods or services to the Divestiture Business on commercial terms favourable to the Divestiture Business;

(e) engage, redeploy or make redundant personnel employed in the Divestiture Business as the Approved Independent Manager determines necessary; and

(f) engage any external expertise, assistance or advice required by the Approved Independent Manager to perform his or her functions as the Approved Independent Manager.

IAG's obligations in relation to the Approved Independent Manager

8.11. Without limiting its obligations in this Undertaking, IAG must:

(a) comply with and enforce the Approved Terms of Appointment of the Approved Independent Manager;

(b) maintain and fund the Approved Independent Manager to carry out his or her functions, including:

(i) indemnifying the Approved Independent Manager for any expenses, loss, claim or damage arising directly or indirectly from the performance by the Approved Independent Manager of his or her functions as the Approved Independent Manager except where such expenses, loss, claim or damage arises out of the gross negligence, fraud, misconduct or breach of duty by the Approved Independent Manager;

(ii) ensuring that the Approved Independent Manager is fully able to acquire and pay for sufficient and timely delivery of all goods and services (including from third parties) which the Approved Independent Manager considers are required by the Divestiture Business; and

(iii) providing and paying for any external expertise, assistance or advice required by the Approved Independent Manager to perform his or her functions as the Approved Independent Manager; and

(c) not interfere with the authority of, or otherwise hinder, the Approved Independent Manager's ability to carry out his or her obligations as the Approved Independent Manager, including:

(i) accepting (and directing its directors, contractors, managers, officers, employees and agents to accept) direction from the Approved Independent Manager as to the control, management, financing and operations of the Divestiture Business, and for the Divestiture Business to meet all legal, corporate, financial, accounting, taxation, audit and regulatory obligations;

(ii) providing access to the facilities, sites or operations of the Divestiture Business required by the Approved Independent Manager;

(iii) providing to the Approved Independent Manager any information or documents that they consider necessary for managing and operating the Divestiture Business or for reporting to or otherwise advising the ACCC; and

(iv) not requesting information or reports regarding the Divestiture Business from the personnel of the Divestiture Business except through the Approved Independent Manager; and

(v) not appointing the Approved Independent Manager, or have any Agreements with the Approved Independent Manager, to utilise the Approved Independent Manager's services for anything other than compliance with this Undertaking until at least 12 months after the Approved Independent Manager ceases to act in the role of the Approved Independent Manager.

Resignation, revocation or termination of the Approved Independent Manager

8.12. IAG must immediately notify the ACCC in the event that the Approved Independent Manager resigns or otherwise stops acting as the Approved Independent Manager before the completion of the divestiture of the Divestiture Business.

8.13. The ACCC may revoke an Approved Independent Manager's status as the Approved Independent Manager if the ACCC becomes aware that any information provided to it was incorrect, inaccurate or misleading.

8.14. The ACCC may approve any proposal by, or alternatively may direct, IAG to terminate the appointment of the Approved Independent Manager if in the ACCC's view the Approved Independent Manager acts inconsistently with the provisions of this Undertaking or the Approved Terms of Appointment.

9. Failure to divest the Divestiture Business within the Initial Sale Period

Divestiture of the Unsold Business

9.1. In the event that the divestiture of the Divestiture Business to an Approved Purchaser is not completed by the end of the Initial Sale Period, the Divestiture Business becomes an unsold business (**Unsold Business**) and the provisions of this section 9 apply.

Obligation to appoint an Approved Divestiture Agent

9.2. From the end of the Initial Sale Period, IAG must appoint and maintain an Approved Divestiture Agent to effect the divestiture of the Unsold Business.

Process for approving a Proposed Divestiture Agent

9.3. At least 15 Business Days prior to the end of the Initial Sale Period, if the divestiture of the Divestiture Business has not been completed, IAG must provide the ACCC with a notice for a Proposed Divestiture Agent in the form of Schedule 3 to this Undertaking (**Proposed Divestiture Agent Notice**) including draft terms of appointment, a draft business sale agreement, and draft marketing and sale plan.

9.4. If clauses 9.14, 9.15 or 9.16 apply, IAG must provide the ACCC with a Proposed Divestiture Agent Notice within five Business Days after the relevant event occurs.

9.5. The ACCC shall have the discretion to approve or reject in writing the Proposed Divestiture Agent.

9.6. Without limiting the ACCC's discretion, in deciding whether to approve a Proposed Divestiture Agent, the factors to which the ACCC may have regard include whether the:

(a) person named in Proposed Divestiture Agent Notice or identified by the ACCC has the qualifications and experience necessary to carry out the functions of the Approved Divestiture Agent;

(b) person named in the Proposed Divestiture Agent Notice or identified by the ACCC is sufficiently independent of IAG;

(c) draft terms of appointment, draft business sale agreement and draft marketing and sale plan are consistent with this Undertaking; and

(d) draft terms of appointment, draft business sale agreement and draft marketing and sale plan are otherwise acceptable to the ACCC.

Appointment of the Approved Divestiture Agent

9.7. After receiving written notice from the ACCC of its approval of the Proposed Divestiture Agent, the draft terms of appointment, draft business sale agreement and draft marketing and sale plan, IAG must within two Business Days:

(a) appoint the person approved by the ACCC as the Approved Divestiture Agent on the Approved Terms of Appointment; and

(b) forward to the ACCC a copy of the executed Approved Terms of Appointment.

Failure to appoint

9.8. If:

(a) the Approved Divestiture Agent has not been appointed within 10 Business Days after the Divestiture Business becomes an Unsold Business;

(b) the Approved Divestiture Agent has not been appointed within 15 Business Days after the Approved Divestiture Agent resigns or otherwise ceases to act pursuant to clauses 9.14, 9.15 or 9.16; or

(c) the ACCC has not received a Proposed Divestiture Agent Notice pursuant to clause 9.3 and 9.4;

then clause 9.9 applies.

9.9. If clause 9.8 applies, the ACCC may, at its absolute discretion:

(a) identify and approve a person as the Approved Divestiture Agent, including approving the draft terms of appointment of the Approved Divestiture Agent, draft business sale agreement and draft marketing and sale plan; and/or

(b) direct IAG to appoint a person who the ACCC has deemed is an Approved Divestiture Agent.

Obligations and powers of the Approved Divestiture Agent

9.10. IAG must procure that any proposed terms of appointment for the Approved Divestiture Agent include obligations on the Approved Divestiture Agent to:

(a) divest the Unsold Business only to an Approved Purchaser, at no minimum price;

(b) maintain his or her independence from IAG, apart from appointment to the role of Approved Divestiture Agent, including not form any relationship of the types described in paragraph 2(c) of Schedule 3 to this Undertaking with IAG for the period of his or her appointment;

(c) not use any confidential information gained through the divestiture of the Unsold Business other than for performing his or her functions as Approved Divestiture Agent;

(d) follow the Approved Marketing and Sale Plan;

(e) use his or her best endeavours to enter into a binding agreement for the divestiture of the Unsold Business as quickly as possible using the Approved Business Sale Agreement;

(f) co-operate with the requests of any Approved Independent Manager or Approved Independent Auditor appointed pursuant to this Undertaking;

(g) every 30 Business Days following appointment of the Approved Divestiture Agent, provide written reports directly to the ACCC which include:

(i) information regarding the implementation of the Approved Business Sale Agreement and the Approved Marketing and Sale Plan including any previous changes approved by the ACCC;

(ii) information regarding any suggested changes to any Approved Marketing and Sale Plan including any previous changes approved by the ACCC;

(iii) an account and explanation of all disbursements, fees and charges incurred by the Approved Divestiture Agent in undertaking his or her duties by month and to the date of the report;

(iv) a schedule of agreed fees of the Approved Divestiture Agent (including the fees of any adviser appointed under clause 9.11(d));

(v) the efforts made to sell the Unsold Business;

(vi) the identity of any advisers engaged;

(vii) the identity of any persons expressing interest in the Unsold Business; and

(viii) any other information required by the ACCC;

(h) within 30 Business Days after the completion of the divestiture of the Unsold Business, provide a written report directly to the ACCC which includes a final accounting of:

(i) any moneys derived from the divestiture of the Unsold Business;

(ii) all disbursements, fees and charges incurred by the Approved Divestiture Agent in fulfilling his or her duties; and

(iii) all agreed fees of the Approved Divestiture Agent (including the fees of any adviser appointed under 9.11(d);

(i) immediately inform the ACCC of:

(i) any issues that arise in relation to the implementation of the Approved Business Sale Agreement and any Approved Marketing and Sale Plan;

(ii) non-compliance with this Undertaking by any person named in this Undertaking;

(iii) any offers for the Unsold Business;

(j) accept any offer for the Unsold Business upon instruction from IAG given in accordance with clause 9.13(d); and

(k) follow any direction given to him or her by the ACCC in relation to the performance of his or her functions as Approved Divestiture Agent pursuant to this Undertaking.

9.11. IAG must procure that any proposed terms of appointment for the Approved Divestiture Agent contain an irrevocable grant of power of attorney conferring all necessary power and authority on the Approved Divestiture Agent to:

(a) negotiate with purchasers to divest the Unsold Business on terms considered by the Approved Divestiture Agent in his or her sole discretion to be consistent with this Undertaking and the Approved Marketing and Sale Plan;

(b) execute any agreements with the Approved Purchaser required pursuant to clause 6.5;

(c) upon instruction pursuant to clause 9.13(d), complete the divestiture of the Unsold Business to the Approved Purchaser in accordance with the Approved Business Sale Agreement; and

(d) engage any external expertise, assistance or advice required by the Approved Divestiture Agent to perform his or her functions as the Approved Divestiture Agent.

9.12. Any irrevocable power of attorney granted pursuant to clause 9.11 will end upon resignation or termination of the Approved Divestiture Agent in accordance with clauses 9.14, 9.15 and 9.16, or in the event that the Unsold Business is divested in accordance with this Undertaking.

IAG's obligations in relation to the Approved Divestiture Agent

9.13. Without limiting its obligations in this Undertaking, IAG must from the end of the Initial Sale Period:

(a) comply with and enforce the Approved Terms of Appointment for the Approved Divestiture Agent;

(b) maintain and fund the Approved Divestiture Agent to carry out his or her functions; including:

(i) indemnifying the Approved Divestiture Agent for any expenses, loss, claim or damage arising directly or indirectly from the performance by the Approved Divestiture Agent of his or her functions as the Approved Divestiture Agent except where such expenses, loss, claim or damage arises out of the gross negligence, fraud, misconduct or breach of duty by the Approved Divestiture Agent;

(ii) providing and paying for any external expertise, assistance or advice required by the Approved Divestiture Agent to perform his or her functions as the Approved Divestiture Agent;

(iii) paying such fees as are agreed between the Approved Divestiture Agent and IAG (but not fees contingent on the price to be obtained for the Unsold Business); and

(iv) if an agreement as to fees cannot be reached between the Approved Divestiture Agent and IAG within 15 Business Days after the end of the Initial Sale Period, IAG agrees to pay such fees as are directed by the ACCC;

(c) not interfere with, or otherwise hinder, the Approved Divestiture Agent's ability to carry out his or her functions as the Approved Divestiture Agent, including:

(i) directing its personnel, including directors, contractors, managers, officers, employees and agents, to act in accordance with this section 9;

(ii) providing access to the facilities, sites or operations of the Unsold Business as required by the Approved Divestiture Agent; and

(iii) providing to the Approved Divestiture Agent any information, documents or other assistance that they consider necessary for carrying out his or her functions as the Approved Divestiture Agent or for reporting to or otherwise advising the ACCC;

(d) within three Business Days after receiving notice from the ACCC pursuant to clause 6.5, IAG must instruct the Approved Divestiture Agent to complete the divestiture of the Unsold Business to the Approved Purchaser in accordance with the documents approved by the ACCC pursuant to clause 6.5; and

(e) other than in accordance with clause 9.13(d) of this Undertaking, not instruct the Approved Divestiture Agent to divest the Unsold Business.

Resignation, revocation or termination of the Approved Divestiture Agent

9.14. IAG must immediately notify the ACCC in the event that an Approved Divestiture Agent resigns or otherwise stops acting as an Approved Divestiture Agent before the completion of the divestiture of the Unsold Business.

9.15. The ACCC may revoke an Approved Divestiture Agent's status as the Approved Divestiture Agent if the ACCC becomes aware that any information provided to it was incorrect, inaccurate or misleading.

9.16. The ACCC may approve any proposal by, or alternatively may direct, IAG to terminate an Approved Divestiture Agent if in the ACCC's view the Approved Divestiture Agent acts inconsistently with the provisions of this Undertaking or the Approved Terms of Appointment.

Part B: Behavioural Obligations

10. Distribution Agreement Commitments

Purpose

10.1. The purpose of this section 10 is to preserve specified provisions of the Distribution Agreement for at least the Term of the Undertaking. This section does so by:

(a) restricting amendments to specified provisions relating to price competitiveness, competitiveness benchmarking and review (including the circumstances in which RACWAH may appoint an alternative insurer) and termination rights; and

(b) requiring ACCC approval before any such amendments may be made.

Distribution Agreement terms

10.2. For the Term of the Undertaking, IAG must comply with and must not amend the following clauses of the Distribution Agreement except in the circumstances set out in clause 10.3 below (each a **Restricted DA Term**, together the **Restricted DA Terms**):

(a) clause 8.4 (Most favoured nation principle);

(b) clause 8.5 (Price competitiveness);

(c) clause 8.6 (Competitiveness benchmarking and review);

(d) clause 32.1 (Termination rights exercisable from the commencement date of the Distribution Agreement);

(e) clause 32.2(a), (b), (c), (d), (e), (f), (h) (Termination rights exercisable from three years after the commencement date of the Distribution Agreement);

(f) clause 32.5 (Obligations on termination);

(g) Schedule 3 (Product Pricing and Design Principles); and

(h) Schedule 4 (Competitiveness Assessment Process).

10.3. If RACWAH considers that IAG has breached a Restricted DA Term, RACWAH may notify the Approved Independent Auditor directly in writing.

10.4. If the parties to the Distribution Agreement agree to a variation of a Restricted DA Term in accordance with the Distribution Agreement, IAG may amend the Restricted DA Term if, prior to making any amendment:

(a) it gives notice in writing to the ACCC of the proposed amendments to the relevant Restricted DA Term;

(b) it provides a copy of the proposed amendments to the relevant Restricted DA Term to the Approved Independent Auditor;

(c) the Approved Independent Auditor prepares and issues a report to the ACCC with a recommendation on whether the proposed amendments should be made; and

(d) the ACCC agrees that the proposed amendments may be made.

11. Smash repair service provider commitments

Purpose

11.1. The purpose of this section 11 is to restrict IAG's ability to foreclose third party insurers' access to repair services with Smash Repair Service Providers in Karratha, Kalgoorlie, Margaret River, Busselton, Geraldton, Esperance, Broome and Port Hedland (the **Regions**) by prohibiting exclusivity arrangements and certain other restrictions that may limit the ability of Smash Repair Service Providers in Regions to provide services to other personal lines general insurers.

Commitments in relation to the acquisition of Smash Repair Services in Western Australia

11.2. For the Term of the Undertaking, IAG will ensure that it does not:

(a) offer, require or request that Smash Repair Service Providers in the Regions comply with terms (whether in writing or not); or

(b) seek to rely on or enforce terms included in existing contracts between IAG or RACI and Smash Repair Service Providers in the Regions,

which:

(c) require the Smash Repair Service Provider to provide services exclusively to IAG;

(d) incentivise the Smash Repair Service Provider not to provide services to other personal lines general insurers,

(e) penalise a Smash Repair Service Provider for providing services to another personal lines general insurer; or

(f) require the Smash Repair Service Provider to prioritise, or provide preferential treatment to, work referred by IAG over work referred by another personal lines general insurer.

11.3. IAG must give written notice of the existence of this Undertaking to all Smash Repair Service Providers in the Regions with which it engages as follows:

(a) in the case of Smash Repair Service Providers with which IAG is engaged as at the Control Date, within 20 Business Days of the Control Date; and

(b) in the case of any Smash Repair Service Provider with which IAG first engages during the Term, within 10 Business Days of first engaging with that provider.

Code of Conduct

11.4. For the Term of the Undertaking, IAG will comply with the Motor Vehicle Insurance and Repair Industry Code of Conduct, as amended, revised or made

mandatory from time to time, when engaging with Smash Repair Service Providers in Western Australia.

12. Minimum service levels

Purpose

12.1. The purpose of this section 12 is to require IAG to maintain minimum service levels in relation to existing and potential policyholder engagement and claims service.

Minimum service levels commitment

12.2. IAG must use reasonable endeavours to ensure that service standards for RAC branded personal lines motor and home insurance claims in Western Australia are no less favourable than the national service standards for the NRMA Insurance, RACV and RACQ brands for personal lines motor and home insurance.

12.3. For the purposes of clause 12.2, service standards will be measured by reference to transactional Net Promoter Score (**tNPS**) for claims lodgement, repair and settlement services in respect of personal lines motor and home insurance claims, excluding major events such as hail storms, floods, cyclones and other catastrophe events.

12.4. IAG must monitor the tNPS referred to in clause 12.3 on a quarterly basis and review performance annually against the national weighted average tNPS for the NRMA Insurance, RACV and RACQ brands.

12.5. If the tNPS for RAC branded personal lines motor and home insurance claims in Western Australia is lower than the weighted national average tNPS for the NRMA Insurance, RACV and RACQ brands in any rolling 12-month period, IAG must:

(a) investigate the causes of the variance;

(b) develop and implement a remediation plan designed to improve service standards; and

(c) notify the Approved Independent Auditor of the variance and provide details of the remediation plan.

12.6. During the Term of the Undertaking, IAG will maintain a contact centre based in Western Australia.

13. Expansion of geographic offering

Purpose

13.1. The purpose of this section 13 is to increase the availability of RAC branded home insurance for homes located on mainland northern Western Australia by expanding the geographic area in which RAC branded home insurance is offered.

Expansion above the 26th parallel

13.2. By the end of the period commencing on the Control Date and ending on the same day 12 months later, IAG must make RAC branded home insurance

available for homes located on mainland Western Australia north of the 26th Parallel for at least the Term of this Undertaking.

13.3. IAG may apply its ordinary underwriting and eligibility criteria in relation to RAC branded home insurance offered pursuant to clauses 13.2, provided that those criteria:

(a) do not exclude all properties located on mainland Western Australia north of the 26th Parallel from eligibility, unless as part of temporary restrictions applied in IAG's ordinary underwriting response to actual or anticipated catastrophe events; and

(b) are not designed or applied for the purpose of avoiding IAG's obligations under this section 13.

14. WA community benefits

Purpose

14.1. The purpose of this section 14 is to ensure that the Proposed Transaction delivers tangible and ongoing benefits to Western Australia through investment in community initiatives, road safety, skills development and research programs that support Western Australian consumers and communities.

WA community fund

14.2. By the end of the period commencing on the Control Date and ending on the same day 6 months later, IAG must establish a WA community fund (**WA Community Fund**) with the objective of funding, supporting or implementing the WA community investments described in clauses 14.5 to 14.9 below (**WA Community Investments**).

14.3. IAG must commit an aggregate amount of not less than $20 million through the WA Community Fund during the Term of this Undertaking.

14.4. IAG may allocate the WA Community Fund among the WA Community Investments as IAG determines, provided that part of the WA Community Fund is applied to each category of WA Community Investments described in clauses 14.5 to 14.9.

Road safety

14.5. IAG must apply part of the WA Community Fund to fund and implement road safety initiatives in Western Australia, including by:

(a) deploying and maintaining IAG's Safer Journeys capability in Western Australia;

(b) establishing and maintaining arrangements to provide the Western Australian Government with available and relevant road usage and congestion data, accident hotspot data and insurance claims data, subject to applicable laws and appropriate confidentiality and data protection arrangements;

(c) developing and delivering driver training programmes in regional areas of Western Australia, with a particular focus on Indigenous communities; and

(d) funding or implementing other road safety initiatives agreed in writing between IAG and RAC from time to time.

Town Team Movement

14.6. IAG must apply part of the WA Community Fund to:

(a) make IAG's Help Nation programme available under RAC branding to Town Teams operating in Western Australia; and

(b) provide participating Town Teams with information and educational resources concerning natural peril risks and measures that may be taken to improve community resilience to those risks.

Made in WA

14.7. IAG must apply part of the WA Community Fund to establish and maintain a programme to support the development of motor vehicle trade skills in Western Australia (**Made in WA Programme**).

14.8. The Made in WA Programme must include:

(a) partnerships with one or more Western Australian TAFEs, registered training organisations or industry bodies to support education and training for motor vehicle trades;

(b) sponsorships, apprenticeships or other employment and training opportunities in motor vehicle trades; and

(c) initiatives directed specifically at supporting skills development and employment in regional areas of Western Australia.

Electric state

14.9. By the end of the period commencing on the Control Date and ending on the same day 12 months later, IAG must apply part of the WA Community Fund to establish and maintain a physical research facility in Western Australia (**WA Research Centre**).

14.10. IAG must apply part of the WA Community Fund to fund and maintain a research programme conducted through the WA Research Centre and focused on vehicle safety, passenger safety and the transition to electric vehicles in Western Australia (**WA Research Programme**).

14.11. The WA Research Programme must:

(a) conduct research into vehicle and passenger safety issues affecting Western Australia;

(b) conduct research into the transition to electric vehicles in Western Australia, including battery health, battery life, vehicle safety and liability issues associated with electric vehicles;

(c) develop and deliver education and awareness initiatives relating to vehicle safety and the transition to electric vehicles in Western Australia; and

(d) publish reports, research findings and other educational materials arising from that research.

15. Review of undertaking

Review process

15.1. If:

(a) IAG is unable to comply with its obligations under this Undertaking; or

(b) IAG or the ACCC believes that it is necessary to seek some variation due to changed circumstances,

then IAG and the ACCC agree that they will review the Undertaking and negotiate in good faith the variation or withdrawal of all or any of the terms of the Undertaking in light of such circumstances having regard to the need to prevent any substantial lessening of competition in any relevant market.

15.2. Nothing in clause 15.1 obliges either IAG or the ACCC to agree to any variation of, or withdrawal of, any term of this Undertaking.

16. Compliance

Purpose

16.1. The purpose of this section 16 is to establish mechanisms that ensure IAG complies with the terms of this Undertaking.

Compliance officer

16.2. IAG must appoint and maintain a compliance officer to assist IAG ensure it complies with this Undertaking (**Compliance Officer**).

16.3. IAG must inform the ACCC of the identity of the proposed Compliance Officer at least one month prior to the Control Date. IAG must consider any comments of the ACCC regarding the identity of the proposed Compliance Officer in good faith.

16.4. The Compliance Officer:

(a) must be appointed on or before the Control Date; and

(b) must provide a personal undertaking to IAG in the form of Schedule 4:

(i) by the Control Date; and

(ii) annually thereafter by each anniversary of the Control Date.

16.5. If the Compliance Officer resigns or IAG otherwise proposes to replace the Compliance Officer, IAG must:

(a) inform the ACCC and the Approved Independent Auditor about the resignation or decision within five Business Days of the resignation or decision:

(b) inform the ACCC and the Approved Independent Auditor of the identity of the proposed new Compliance Officer within five Business Days of the proposed new Compliance Officer being identified and consider any comments of the ACCC regarding the identity of the proposed new Compliance Officer in good faith; and

(c) procure that the new Compliance Officer provides a personal undertaking as contemplated in clause 16.4.

16.6. IAG must procure that the Compliance Officer:

(a) notifies the ACCC and the Approved Independent Auditor of any breaches of this Undertaking of which it becomes aware within 10 Business Days of becoming so aware; and

(b) on request by the ACCC or the Approved Independent Auditor provides a written report regarding IAG's compliance with this Undertaking.

16.7. The ACCC may direct IAG to terminate the appointment of the Compliance Officer and appoint a replacement if in the ACCC's view the Compliance Officer acts inconsistently with the provisions of the Undertaking.

17. Independent Audit

Purpose

17.1. The purpose of this section 17 is to establish an audit regime to provide assurance that IAG is complying with this Undertaking.

Obligation to appoint an Approved Independent Auditor

17.2. IAG must appoint and maintain an Approved Independent Auditor to audit and report upon IAG's compliance with this Undertaking.

Process for approving a Proposed Independent Auditor

17.3. At least 15 Business Days before the Control Date, IAG must provide the ACCC with a notice for a Proposed Independent Auditor in the form prescribed in Schedule 3 to this Undertaking (**Proposed Independent Auditor Notice**), including draft terms of appointment and a draft audit plan.

17.4. The Approved Independent Auditor is to be appointed for a term of two years. Within 15 Business Days of the end of the Approved Independent Auditor's term, IAG must provide the ACCC with a new Proposed Independent Auditor Notice. A person who is, or who has been, the Approved Independent Auditor is eligible for reappointment as the Approved Independent Auditor.

17.5. If clauses 17.18, 17.19, and 17.20 apply, IAG must provide the ACCC with a Proposed Independent Auditor Notice within five Business Days after the relevant event occurs, otherwise clause 17.10 applies.

17.6. The ACCC shall have the discretion to approve or reject in writing the Proposed Independent Auditor identified in the Proposed Independent Auditor Notice.

17.7. Without limiting the ACCC's discretion, in deciding whether to approve a Proposed Independent Auditor, the factors to which the ACCC may have regard include whether the:

(a) person named in the Proposed Independent Auditor Notice or identified by the ACCC has the qualifications and experience necessary to carry out the functions of the Approved Independent Auditor;

(b) person named in the Proposed Independent Auditor Notice or identified by the ACCC is sufficiently independent of IAG;

(c) draft terms of appointment and the draft audit plan are consistent with this Undertaking; and

(d) draft terms of appointment and the draft audit plan are otherwise acceptable to the ACCC.

Appointment of the initial Approved Independent Auditor

17.8. After receiving a written notice from the ACCC of its approval of a Proposed Independent Auditor, the draft terms of appointment and draft audit plan, IAG must by the Control Date:

(a) appoint the person approved by the ACCC as the Approved Independent Auditor on the Approved Terms of Appointment; and

(b) forward to the ACCC a copy of the executed Approved Terms of Appointment.

Failure to appoint

17.9. If:

(a) the Approved Independent Auditor has not been appointed by the Control Date;

(b) the Approved Independent Auditor has not been appointed within 15 Business Days after the Approved Independent Auditor resigns or otherwise ceases to act as the Approved Independent Auditor pursuant to clauses 17.18, 17.19, and 17.20; or

(c) the ACCC has not received a Proposed Independent Auditor Notice pursuant to clause 17.3;

then clause 17.10 applies.

17.10. If this clause 17.10 applies, the ACCC at its absolute discretion may:

(a) identify and approve a person as the Approved Independent Auditor, including approving the draft terms of appointment and draft audit plan; and/or

(b) direct IAG to appoint a person who the ACCC has deemed is an Approved Independent Auditor.

Obligations and powers of the Approved Independent Auditor

17.11. IAG must procure that any proposed terms of appointment for the Approved Independent Auditor include obligations on the Approved Independent Auditor to:

(a) maintain his or her independence from IAG, apart from appointment to the role of Approved Independent Auditor, including not forming any relationship of the types described in clause 2.2 of Schedule 3 to this Undertaking with IAG for the period of his or her appointment;

(b) conduct compliance auditing according to the Approved Audit Plan;

(c) provide the following reports directly to the ACCC:

(i) a scheduled written Audit Report as described in clause 17.13; and

(ii) an immediate report of any issues that arise in relation to the performance of his or her functions as Approved Independent Auditor or in relation to compliance with this Undertaking by any person named in this Undertaking; and

(d) follow any direction given to him or her by the ACCC in relation to the performance of his or her functions as Approved Independent Auditor under this Undertaking.

17.12. IAG must procure that any proposed terms of appointment for the Approved Independent Auditor provide the Approved Independent Auditor with the authority to:

(a) access the facilities, sites or operations of IAG in Western Australia as required by the Approved Independent Auditor;

(b) interview or request documents from the Compliance Officer;

(c) access any information or documents that the Approved Independent Auditor considers necessary for carrying out his or her functions as the Approved Independent Auditor or for reporting to or otherwise advising the ACCC; and

(d) engage any external expertise, assistance or advice required by the Approved Independent Auditor to perform his or her functions as the Approved Independent Auditor.

Compliance Audit

17.13. The Approved Independent Auditor must conduct an audit and prepare a detailed report (**Audit Report**) that includes:

(a) the Approved Independent Auditor's procedures in conducting the audit, or any change to audit procedures and processes since the previous Audit Report;

(b) a full audit of IAG's compliance with this Undertaking;

(c) identification of any areas of uncertainty or ambiguity in the Approved Independent Auditor's interpretation of any obligations contained in this Undertaking;

(d) all of the reasons for the conclusions reached in the Audit Report;

(e) any qualifications made by the Approved Independent Auditor in forming his or her views;

(f) any recommendations by the Approved Independent Auditor to improve:

(i) the Approved Audit Plan;

(ii) the integrity of the auditing process;

(iii) IAG's processes or reporting systems in relation to compliance with this Undertaking; and

(iv) IAG's compliance with this Undertaking; and

(g) the implementation and outcome of any prior recommendations by the Approved Independent Auditor.

17.14. The Approved Independent Auditor is to provide an Audit Report to the ACCC and IAG at the following times:

(a) within 6 months after the Control Date, at which time the Audit Report is to include the results of the initial audit and any recommended changes to the Approved Audit Plan, including the Approved Independent Auditor's proposed procedures and processes for conducting the audit (**Establishment Audit**);

(b) annually from the date of the Establishment Audit until the expiry, withdrawal or revocation of this Undertaking pursuant to section 4; and

(c) a final report due three months after the expiry, withdrawal or revocation of this Undertaking pursuant to section 4.

17.15. IAG must implement any recommendations made by the Approved Independent Auditor in Audit Reports and notify the ACCC of the implementation of the recommendations within 10 Business Days after receiving the Audit Report or such other period as agreed in writing with the ACCC.

17.16. IAG must comply with any direction of the ACCC in relation to matters arising from the Audit Report within 10 Business Days after being so directed or such other period as agreed in writing with the ACCC.

IAG's obligations in relation to the Approved Independent Auditor

17.17. Without limiting its obligations in this Undertaking, IAG must:

(a) comply with and enforce the Approved Terms of Appointment for the Approved Independent Auditor;

(b) maintain and fund the Approved Independent Auditor to carry out his or her functions including:

(i) indemnifying the Approved Independent Auditor for any expenses, loss, claim or damage arising directly or indirectly from the performance by the Approved Independent Auditor of his or her functions as the Approved Independent Auditor except where such expenses, loss, claim or damage arises out of the gross negligence, fraud, misconduct or breach of duty by the Approved Independent Auditor; and

(ii) providing and paying for any external expertise, assistance or advice required by the Approved Independent Auditor to perform his or her functions as the Approved Independent Auditor; and

(c) not interfere with, or otherwise hinder, the Approved Independent Auditor's ability to carry out his or her functions as the Approved Independent Auditor, including:

(i) directing IAG personnel, including directors, contractors, managers, officers, employees and agents, to act in accordance with this section 17;

(ii) providing access to the facilities, sites or operations of IAG in Western Australia as required by the Approved Independent Auditor;

(iii) providing to the Approved Independent Auditor any information or documents that they consider necessary for carrying out their functions as the Approved Independent Auditor or for reporting to or otherwise advising the ACCC;

(iv) not requesting any information relating to the compliance audit from the Approved Independent Auditor without such a request having been approved by the ACCC; and

(v) not appointing the Approved Independent Auditor, or have any Agreements with the Approved Independent Auditor, to utilise the Approved Independent Auditor's services for anything other than compliance with this Undertaking until at least 12 months after the Approved Independent Auditor ceases to act in the role of the Approved Independent Auditor.

Resignation, revocation or termination of the Approved Independent Auditor

17.18. IAG must immediately notify the ACCC in the event that the Approved Independent Auditor resigns or otherwise stops acting as the Approved Independent Auditor.

17.19. The ACCC may revoke an Approved Independent Auditor's status as the Approved Independent Auditor if the ACCC becomes aware that any information provided to the ACCC was incorrect, inaccurate or misleading.

17.20. The ACCC may approve any proposal by, or alternatively may direct, IAG to terminate the appointment of the Approved Independent Auditor if in the ACCC's view the Approved Independent Auditor acts inconsistently with the provisions of this Undertaking and/or the Approved Terms of Appointment or the Approved Independent Auditor fails to perform their role to an adequate standard.

18. Notification of key dates and ACCC requests for information

18.1. IAG must notify the ACCC and the Approved Independent Auditor in writing of:

(c) the anticipated date of the Control Date, at least five Business Days before that date; and

(d) the occurrence of the Control Date, within one Business Day of that date.

18.2. The ACCC may direct IAG in respect of its compliance with this Undertaking to, and IAG must:

(a) furnish information to the ACCC in the time and in the form requested by the ACCC;

(b) produce documents and materials to the ACCC within IAG's custody, power or control in the time and in the form requested by the ACCC; and/or

(c) attend the ACCC at a time and place appointed by the ACCC to answer any questions the ACCC (its Commissioners, its staff or its agents) may have.

18.3. Any direction made by the ACCC under clause 18.2 will be notified to IAG, in accordance with clause 25.2.

18.4. In respect of IAG's compliance with this Undertaking or an Approved Independent Auditor's compliance with its Approved Terms of Appointment, the ACCC may request any Approved Independent Auditor to:

(a) furnish information to the ACCC in the time and in the form requested by the ACCC;

(b) produce documents and materials to the ACCC within the Approved Independent Auditor's custody, power or control in the time and in the form requested by the ACCC; and/or

(c) attend the ACCC at a time and place appointed by the ACCC to answer any questions the ACCC (its Commissioners, its staff or its agents) may have.

18.5. IAG will use its best endeavours to ensure that an Approved Independent Auditor complies with any request from the ACCC in accordance with clause 18.4.

18.6. Information furnished, documents and material produced or information given in response to any request or direction from the ACCC under this section 18 may be used by the ACCC for any purpose consistent with the exercise of its statutory duties.

18.7. The ACCC may in its discretion:

(a) advise any Approved Independent Auditor of any request made by it under this section 18; and/or

(b) provide copies to any Approved Independent Auditor of any information furnished, documents and material produced or information given to it under this section 18.

18.8. Nothing in this section 18 requires the provision of information or documents in respect of which IAG has a claim of legal professional or other privilege.

19. Disclosure of this Undertaking

19.1. IAG and the ACCC agree that Confidential Schedules 6 and 7 of this Undertaking will remain confidential subject to clauses 19.2 and 19.3.

19.2. IAG acknowledges that the ACCC may, subject to clause 19.1:

(a) make this Undertaking publicly available;

(b) publish this Undertaking on its Public Section 87B Undertakings Register and Public Mergers Register; and

(c) from time to time publicly refer to this Undertaking.

19.3. Nothing in section 19 or the confidential parts of this Undertaking prevents the ACCC from disclosing such information as is:

(d) required by law;

(e) permitted by section 155AAA of the CCA;

(f) necessary for the purpose of enforcement action under section 87B of the CCA; or

(g) necessary for the purpose of making such market inquiries as the ACCC thinks fit to assess the impact on competition arising in connection with this Undertaking.

19.4. Nothing in section 19 or the confidential parts of this Undertaking prevents the ACCC from using the information contained in this Undertaking for any purpose consistent with its statutory functions and powers.

20. Obligation to procure

20.1. Where the performance of an obligation under this Undertaking requires a Related Body Corporate of IAG to take or refrain from taking some action, IAG will procure that Related Body Corporate to take or refrain from taking that action.

21. No Derogation

21.1. This Undertaking does not prevent the ACCC from taking enforcement action at any time whether during or after the Term in respect of any breach by IAG of any term of this Undertaking.

21.2. Nothing in this Undertaking is intended to restrict the right of the ACCC to take action under the CCA for penalties or other remedies in the event that IAG does not fully implement and/or perform its obligations under this Undertaking or in any other event where the ACCC decides to take action under the CCA for penalties or other remedies.

22. Change of Control

22.1. In the event that a Change of Control is reasonably expected to occur, IAG must:

(a) notify the ACCC of this expectation as soon as practicable; and

(b) only implement a Change of Control to another person or entity if that person or entity has given a section 87B undertaking to the ACCC that requires it to comply with the same obligations as are imposed on IAG pursuant to this Undertaking, or on terms that are otherwise acceptable to the ACCC, unless the ACCC has notified IAG in writing that a section 87B undertaking under this clause is not required.

23. Costs

23.1. IAG must pay all its own costs incurred in relation to this Undertaking.

24. Jurisdiction

24.1. IAG irrevocably submits to the jurisdiction of the Federal Court of Australia in relation to this Undertaking.

25. Notices

Giving Notices

25.1. Any notice or communication to the ACCC pursuant to this Undertaking must be sent to: [ACCC to confirm notice details]

Email address: mergers@accc.gov.au
Attention: Executive General Manager
Merger and Authorisation Review Division

With a copy sent to:

Email address: mergersru@accc.gov.au
Attention: Director, Remedies Unit
Coordination and Strategy Branch
Merger and Authorisation Review Division

25.2. Any notice or communication to IAG pursuant to this Undertaking must be sent to:

Name: Insurance Australia Group Limited

Address: Darling Park, Tower Two, 201 Sussex St, Sydney NSW 2000

Email address: [General Counsel of IAG]

Phone number: [General Counsel of IAG]

Attention: [General Counsel of IAG]

With a copy sent to:

Name: Allens

Address: Level 25, 33 Alfred Street, Sydney NSW 2000

Email address: [External counsel]

Phone number: [External counsel]

Attention: [External counsel]

25.3. If sent by post, notices are taken to be received three Business Days after posting (or seven Business Days after posting if sent to or from a place outside Australia).

25.4. If sent by email, notices are taken to be received at the time shown in the email as the time the email was sent.

Change of contact details

25.5. IAG must notify the ACCC of a change to its contact details within three Business Days.

25.6. Any notice or communication will be sent to the most recently advised contact details and, subject to clauses 25.3 and 25.4, will be taken to be received.

26. Defined terms and interpretation

Definitions in the Dictionary

26.1. A term or expression starting with a capital letter:

(a) which is defined in the Dictionary in Part 1 of Schedule 1 (Dictionary and interpretation), has the meaning given to it in the Dictionary; or

(b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act.

Interpretation

26.2. Part 2 of Schedule 1 sets out rules of interpretation for this Undertaking.

Executed as an Undertaking

Executed by **Insurance Australia Group Limited** (ACN 090 739 923) pursuant to section 127(1) of the *Corporations Act 2001* (Cth) by:

Signature of director		Signature of a director/company secretary
Name of director (print)		Name of director/company secretary (print)
Date		Date

Accepted by the Australian Competition and Consumer Commission pursuant to section 87B of the *Competition and Consumer Act 2010* (Cth) on:

Date

and signed on behalf of the Commission:

Chair

Date

Schedule 1 – Dictionary and interpretation

1. Dictionary

ACCC means the Australian Competition and Consumer Commission.

Agreements means any contract, arrangement or understanding, including any contract, arrangement or understanding to renew, amend, vary or extend any contract, arrangement or understanding.

Approved Audit Plan means the plan approved by the ACCC in accordance with the terms of this Undertaking, by which the Approved Independent Auditor will audit and report upon compliance with this Undertaking.

Approved Business Sale Agreement means the standard form contract for the divestiture of the Unsold Business which has been approved by the ACCC in accordance with the terms of this Undertaking.

Approved Divestiture Agent means the person approved by the ACCC and appointed under section 9 of this Undertaking.

Approved Independent Manager means the person approved by the ACCC and appointed under section 8 of this Undertaking.

Approved Marketing and Sale Plan means the plan approved by the ACCC in accordance with the terms of this Undertaking, by which the Approved Divestiture Agent will market and effect the divestiture of the Unsold Business.

Approved Purchaser means the person approved by the ACCC under section 6 of this Undertaking.

Approved Sale and Purchase Agreement means the contract approved by the ACCC in accordance with the terms of this Undertaking, by which the IAG will divest the Divestiture Businesses to the Approved Purchaser and Approved Purchaser will acquire the Divestiture Business from IAG.

Approved Separation and Management Plan means the plan approved by the ACCC in accordance with the terms of this Undertaking, by which the Approved Independent Manager will:

a) separate the Divestiture Business from any business to be retained by IAG; and

b) manage and operate the Divestiture Business independently of IAG and any retained business.

Approved Transitional Supply Agreement means any agreement, for the supply of goods or services (other than Technical Assistance) by IAG to the Approved Purchaser, approved by the ACCC in accordance with the terms of this Undertaking.

Approved Transitional Technical Assistance Agreement means any agreement, for the supply of Technical Assistance by IAG to the Approved Purchaser, approved by the ACCC in accordance with the terms of this Undertaking.

Approved Independent Auditor means the person approved by the ACCC and appointed under section 17 of this Undertaking.

Approved Terms of Appointment means the terms of appointment for the Approved Independent Manager, Approved Independent Auditor or Approved Divestiture Agent, as applicable, as approved by the ACCC in accordance with the terms of this Undertaking.

Associated Entity has the meaning given by section 50AAA of the Corporations Act.

Audit Report has the meaning given to it in clause 17.13 of this Undertaking.

Brand Licence Agreement means the agreement referred to in clause 2.4 of this Undertaking pursuant to which, on completion of the Proposed Transaction, an agreement will be entered into between RACWAH, RACI and IAG, under which the RAC brand will be licensed to RACI for the purpose of the strategic distribution alliance between IAG and RAC.

Business Day means a day other than a Saturday or Sunday on which banks are open for business generally in the Australian Capital Territory.

CCA means the *Competition and Consumer Act 2010* (Cth).

Change of Control means:

(a) the assignment or other transfer of the legal or beneficial ownership of some or all of the share capital of IAG to any other person or entity that may impact compliance with this Undertaking in its entirety; or

(b) the sale or transfer of any assets necessary, or which may be necessary, to enable IAG to continue to comply with this Undertaking in its entirety.

Commencement Date has the meaning given to it in clause 3.1 of this Undertaking.

Compliance Officer means the person appointed as Compliance Officer pursuant to section 16.2 of this Undertaking.

Control Date means the date on which the Proposed Transaction is completed.

Control has the meaning given in section 50AA of the Corporations Act.

Consents means any Government Consents or Third Party Consents.

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

Distribution Agreement means the agreement referred to in clause 2.4 of this Undertaking pursuant to which, on completion of the Proposed Transaction, RACWAH and RACI will enter into a strategic distribution alliance pursuant to a distribution agreement under which RACWAH will continue as distributor of the general insurance products issued by RACI to RAC members in Western Australia under the RAC brand.

Divestiture Business means the items described in Schedule 5 to this Undertaking.

Entities Connected has the meaning given by section 64B of the Corporations Act.

Establishment Audit has the meaning given in clause 17.14 of this Undertaking.

Government Consents means any consents from any government agency required for the assignment, novation, sale, sub-licensing or transfer of any assets, licences, permits, approval or contracts required for the operation of the Divestiture Business.

Holding Company has the meaning given by section 9 of the Corporations Act.

Initial Sale Period is defined in clause 1 of Confidential Schedule 6 to this Undertaking.

Material Change means any change to the structure, attributes, extent or operations of the Divestiture Business or product or service sold by a Divestiture Business that may affect, or impact on, the competitiveness of the Divestiture Business.

Material Contract means any Agreement that is necessary for the operation of the Divestiture Business.

Help Nation means the weather preparedness, resilience and community education programme offered by IAG under the NRMA Insurance brand, as amended, replaced or renamed from time to time.

IAG means Insurance Australia Group Limited (ACN 090 739 923).

Made in WA Programme has the meaning given in clause 14.7 of this Undertaking.

Notification has the meaning given in clause 2.7 of this Undertaking.

Proposed Divestiture Agent means a person named in a Proposed Divestiture Notice.

Proposed Divestiture Agent Notice has the meaning given to it in clause 9.3 of this Undertaking.

Proposed Independent Auditor means a person named in a Proposed Independent Auditor Notice.

Proposed Independent Auditor Notice has the meaning given to it in clause 17.3 of this Undertaking.

Proposed Independent Manager means a person named in a Proposed Independent Manager Notice.

Proposed Independent Manager Notice has the meaning given to it in clause 8.2 of this Undertaking.

Proposed Purchaser means a person named in a Proposed Purchaser Notice.

Proposed Purchaser Notice has the meaning given to it in clause 6.2 of this Undertaking.

Proposed Transaction has the meaning given to it in clause 2.4 of this Undertaking.

Proposed Undertaking Appointment means a Proposed Independent Manager, Proposed Independent Auditor or Proposed Divestiture Agent.

Public Benefit Application has the meaning given to it in clause 2.9 of this Undertaking.

Public Mergers Register means the ACCC's public register of merger clearances, available at www.accc.gov.au.

Public Section 87B Undertakings Register means the ACCC's public register of section 87B undertakings, available at www.accc.gov.au.

RAC means the Royal Automobile Club of WA Limited (ABN 33 212 133 120).

RACI means RAC Insurance Pty Limited (ABN 59 094 685 882), a wholly owned subsidiary of RAC.

RACI Pty Ltd means RACI Pty Ltd (ACN 008 671 805), a wholly owned subsidiary of RAC.

RACWAH means RACWA Holdings Pty Ltd (ACN 008 985 877), a wholly owned subsidiary of RAC.

Regions has the meaning given to it in clause 11.1 of this Undertaking.

Related Bodies Corporate has the meaning given to it by section 50 of the Corporations Act.

Related Entities has the meaning given to it in section 9 of the Corporations Act.

Related Parties has the meaning given to it in section 228 of the Corporations Act.

Restricted DA Term has the meaning given in clause 10.2 of this Undertaking.

Safer Journeys means the driver safety and behavioural feedback feature offered by IAG under the NRMA Insurance brand, as amended, replaced or renamed from time to time.

Share Sale Deed means the deed entered into between IAG, RACI Pty Ltd and RACWAH on 15 May 2025 pursuant to which IAG will acquire 100% of the issued share capital in RACI from RACI Pty Ltd.

Smash Repair Service Providers means persons (including bodies corporate, partnerships and sole traders) who supply Smash Repair Services and who are, or propose to be, engaged by IAG (whether pursuant to a formal contract, preferred repairer arrangement or otherwise) in connection with the assessment or repair of motor vehicles the subject of claims made under personal lines motor vehicle insurance policies.

Smash Repair Services means motor vehicle repair services involving the repair or replacement of the body or chassis of a vehicle following collision, hail or other damage event, including the repair and replacement of damaged panels, dents and scratches, and repainting works in each case supplied in connection with claims made under motor vehicle insurance policies.

Subsidiary has the meaning given to it in section 9 of the Corporations Act but an entity (as defined under the Corporations Act) will also be taken to be a Subsidiary of an entity if it is Controlled by that entity and, without limitation:

(a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share;

(b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation; and

(c) where a trust is a Subsidiary, the trustee of that trust (acting in that capacity) will also be a Subsidiary.

Technical Assistance includes advising on technical knowledge documentation, supporting the Approved Purchaser on acquiring specific assets necessary for the ongoing conduct of the Divestiture Business, providing staff with suitable experience and skills to assist and/or advice on technical issues, assisting in training for the Approved Purchaser's staff, and providing guidance on regulatory and legal aspects relating to the transfer of or application for licences.

Term has the meaning given in clause 3.2 of this Undertaking.

Third Party Consents means any Consent from any entity that is not a government agency required for the assignment, novation, sale, sub-licensing or transfer of any assets, licences, permits, approval or contracts required for the operation of the Divestiture Business.

tNPS means transactional net promoter score being the net promoter score derived from customer feedback obtained following a relevant customer interaction, transaction or service event, as measured by IAG using their ordinary course customer satisfaction and net promoter score methodology from time to time.

Town Teams means the initiative known as 'Town Teams' administered by Town Team Movement Ltd, as amended, replaced or renamed from time to time.

Transferred Personnel has the meaning given to it in clause 5.7 of this Undertaking.

Undertaking is a reference to all provisions of this document, including its schedules and as varied from time to time under section 87B of the CCA.

Undertaking Appointment means the Approved Independent Manager, the Approved Independent Auditor or the Approved Divestiture Agent, as applicable.

Unsold Business has the meaning given to it in clause 9.1 of this Undertaking.

WA Community Fund has the meaning given in clause 14.2 of this Undertaking.

WA Community Investments has the meaning given in clause 14.2 of this Undertaking.

WA Research Centre has the meaning given in clause 14.9 of this Undertaking.

WA Research Programme has the meaning given in clause 14.10 of this Undertaking.

26th Parallel means a circle of latitude 26 degrees south of the equator.

2. Interpretation

In the interpretation of this Undertaking, the following provisions apply unless the context otherwise requires:

(a) a reference to this Undertaking includes all of the provisions of this document including its schedules;

(b) headings are inserted for convenience only and do not affect the interpretation of this Undertaking;

(c) if the day on which any act, matter or thing is to be done under this Undertaking is not a Business Day, the act, matter or thing must be done on the next Business Day;

(d) a reference in this Undertaking to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision;

(e) a reference in this Undertaking to any company includes its Related Bodies Corporate;

(f) a reference in this Undertaking to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced;

(g) a reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this Undertaking;

(h) an expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency;

(i) where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning;

(j) a word which denotes the singular also denotes the plural, a word which denotes the plural also denotes the singular, and a reference to any gender also denotes the other genders;

(k) a reference to the words 'such as', 'including', 'particularly' and similar expressions is to be construed without limitation;

(l) a construction that would promote the purpose - or object - underlying the Undertaking (whether expressly stated or not) will be preferred to a construction that would not promote that purpose or object;

(m) material not forming part of this Undertaking may be considered to:

(i) confirm the meaning of a clause is the ordinary meaning conveyed by the text of the clause, taking into account its context in the Undertaking and the competition concerns intended to be addressed by the Undertaking and the clause in question; or

(ii) determine the meaning of the clause when the ordinary meaning conveyed by the text of the clause, taking into account its context in the Undertaking and the purpose or object underlying the Undertaking, leads to a result that does not promote the purpose or object underlying the Undertaking;

(n) in determining whether consideration should be given to any material in accordance with paragraph (m), or in considering any weight to be given to any such material, regard must be had, in addition to any other relevant matters, to the:

(i) effect that reliance on the ordinary meaning conveyed by the text of the clause would, have (taking into account its context in the Undertaking and whether that meaning promotes the purpose or object of the Undertaking); and

(ii) need to ensure that the result of the Undertaking is to completely address any ACCC competition concerns;

(o) the ACCC may authorise the ACCC Mergers Review Committee, a member of the ACCC or a member of the ACCC staff, to exercise a decision making function under this Undertaking on its behalf and that authorisation may be subject to any conditions which the ACCC may impose;

(p) in performing its obligations under this Undertaking, IAG will do everything reasonably within its power to ensure that its performance of those obligations is done in a manner which is consistent with promoting the purpose and object of this Undertaking;

(q) a reference to:

(i) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;

(ii) a party includes its successors and permitted assigns; and

(iii) a monetary amount is in Australian dollars.

Schedule 2 – Proposed Purchaser Notice Form

This form sets out the information required by the ACCC in relation to a Proposed Purchaser.

1. Method of Delivery to the ACCC

The completed form with requested documents attached should be provided to the ACCC using the following method:

Email

Subject line: Proposed Purchaser Notice – Undertaking provided by IAG

Address: mergers@accc.gov.au

Attention: Executive General Manager – Mergers and Exemptions Assessment Division

With an email copy sent to:

Address: mergersru@accc.gov.au

Attention: Director, Remedies Unit – Merger Surveillance & Coordination Branch, Mergers and Exemptions Assessment Division

2. Information Required

The ACCC requires the following information in order to assess a Proposed Purchaser.

2.1 Proposed Purchaser details:

(a) Name of the Proposed Purchaser;

(b) Address;

(c) Contact name;

(d) Telephone number;

(e) Other contact details.

2.2 A submission containing the following information:

(a) a description of the business carried on by the Proposed Purchaser including the locations in which the Proposed Purchaser carries on its business;

(b) details of the Proposed Purchaser's experience in the relevant market(s);

(c) the names of the owner(s) and the director(s) of the Proposed Purchaser;

(d) details of any of the following types of relationships between IAG and the Proposed Purchaser or confirmation that no such relationship exists whether within Australia or outside of Australia:

(i) IAG and the Proposed Purchaser are Associated Entities;

(ii) IAG is an Entity Connected with the Proposed Purchaser;

(iii) the Proposed Purchaser is an Entity Connected with IAG;

(iv) IAG and the Proposed Purchaser are Related Entities;

(v) IAG and the Proposed Purchaser are Related Parties;

(vi) any Related Party, Related Entity or Entity Connected with IAG is a Related Party, Related Entity or Entity Connected with the Proposed Purchaser;

(vii) IAG and the Proposed Purchaser have a contractual relationship or had one within the past three years, other than those attached to this form;

(viii) the Proposed Purchaser is a supplier of IAG or has been in the past three years;

(ix) IAG is a supplier of the Proposed Purchaser or has been in the past three years; and

(x) any other relationship between IAG and the Proposed Purchaser that allows one to affect the business decisions of the other;

(e) a section addressing the following factors, including any information adverse to the Proposed Purchaser, in the power, possession or control of IAG:

(i) whether the draft sale and purchase agreement is consistent with this Undertaking;

(i) whether the Proposed Purchaser will complete the transaction as contemplated by the draft sale and purchase agreement;

(ii) whether the Proposed Purchaser is of good financial standing;

(iii) whether the Proposed Purchaser has an intention to maintain and operate the Divestiture Business as a going concern;

(iv) whether the Proposed Purchaser is able to conduct the Divestiture Business effectively;

(v) whether the divestiture of the Divestiture Business to the Proposed Purchaser will address any competition concerns of the ACCC, including any relationships (including but not limited to shareholding interests, other proprietary interests, contracts, arrangements or understandings) between the Proposed Purchaser and other entities in a relevant market, and the likely long-term viability and competitiveness of the Divestiture Business under the ownership of the Proposed Purchaser; and

(vi) any other matters that may affect the Proposed Purchaser's capacity or ability to acquire or operate the Divestiture Business, such as outstanding legal action or disputes.

2.3 Please also attach to this form:

(a) the finalised draft of the sale and purchase agreement for approval by the ACCC in accordance with this Undertaking.

(b) the finalised draft of any transitional technical assistance agreement for approval by the ACCC in accordance with this Undertaking.

(c) the finalised draft of any transitional supply agreement for approval by the ACCC in accordance with this Undertaking.

(d) any documents required to support the information provided by IAG pursuant to this form.

Schedule 3 – Proposed Undertaking Appointment Form

This form sets out the information required by the ACCC in relation to proposed appointment of the following positions under the Undertaking:

- Proposed Independent Manager;
- Proposed Independent Auditor; or
- Proposed Divestiture Agent

(the **Undertaking Appointment).**

This form is to be used for each of the above appointments.

1. Method of Delivery to the ACCC

The completed form with requested documents attached may be provided to the ACCC using the following method:

Email

Subject line:	Proposed [only include relevant Undertaking Appointment i.e. Independent Manager/Independent Auditor/Divestiture Agent] Notice – Undertaking provided by IAG
Address:	mergers@accc.gov.au
Attention:	Executive General Manager – Mergers and Exemptions Assessment Division

With an email copy sent to:

Address:	mergersru@accc.gov.au
Attention:	Director, Remedies Unit – Merger Surveillance & Coordination Branch, Mergers and Exemptions Assessment Division

2. Information Required

The ACCC requires the following information in order to assess a proposed Independent Manager, Independent Auditor or Divestiture Agent (i.e. the relevant Undertaking Appointment).

2.1 Proposed Undertaking Appointment details:

(a) the name of the Proposed Undertaking Appointment; and

(b) the name of the proposed Undertaking Appointment's employer and contact details including:

(i) Address;

(ii) Contact name;

(iii) Telephone number;

(iv) Other contact details.

2.2 A submission containing the following information:

(a) details of the Undertaking Appointment's qualifications and experience relevant to his or her proposed role pursuant to the Undertaking;

(b) the names of the owner(s) and the director(s) of the Undertaking Appointment's employer;

(c) details of any of the following types of relationships between IAG and the Undertaking Appointment or the Undertaking Appointment's employer or confirmation that no such relationship exists whether within Australia or outside of Australia:

(i) IAG and the Undertaking Appointment's employer are Associated Entities;

(ii) IAG is an Entity Connected with the Undertaking Appointment's employer;

(iii) The Undertaking Appointment's employer is an Entity Connected with IAG;

(iv) IAG and the Undertaking Appointment's employer are Related Entities;

(v) IAG and the Undertaking Appointment's employer are Related Parties;

(vi) any Related Party, Related Entity or Entity Connected with IAG is a Related Party, Related Entity or Entity Connected with the Undertaking Appointment;

(vii) IAG and the Undertaking Appointment or the Undertaking Appointment's employer have a contractual relationship or had one within the past three years, other than those attached to this form;

(viii) the Undertaking Appointment's employer is a supplier of IAG or has been in the past three years;

(ix) IAG is a supplier of the Undertaking Appointment's employer or has been in the past three years; and

(x) any other relationship between IAG and the Undertaking Appointment or the Undertaking Appointment's employer that allows one to affect the business decisions of the other;

(d) details of any existing or past contractual relationships between the Undertaking Appointment or the Undertaking Appointment's employer and the ACCC within the past three years.

2.3 A document outlining the terms of appointment for the proposed Undertaking Appointment. This should identify the basis on which fees will be paid, including disclosure of any proposed performance-based fees.

3. Specific Information required for Proposed Undertaking Appointments

The ACCC requires the below information in relation to the relevant Undertaking Appointment.

Proposed Independent Auditor

3.1 A finalised draft audit plan for the Divestiture Business, in an editable format, drafted by the Proposed Independent Auditor and outlining (to the extent possible) the Proposed Independent Auditor's plans regarding the Establishment Audit and the Audit Report.

Proposed Divestiture Agent

3.2 The finalised draft business sale agreement drafted by the Proposed Divestiture Agent in consultation with IAG, in an editable format. The draft business sale agreement is to provide for the divestiture of the Unsold Business.

3.3 The Proposed Divestiture Agent's draft marketing and sale plan for the Unsold Business, in an editable format.

Proposed Independent Manager

3.4 The finalised draft separation and management plan for the Divestiture Business, in an editable format, detailing the measures and timing to be implemented by IAG and the Approved Independent Manager in order to fulfil IAG's and the Approved Independent Manager's obligations pursuant to this Undertaking. This plan is to be drafted by the Proposed Independent Manager in consultation with IAG to achieve the objectives of the Undertaking including:

(a) the intended mode of operation of the Divestiture Business until completion of its divestiture;

(b) separation measures to ensure the Divestiture Business is operated in a manner which is financially and operationally separate from IAG, including the;

(i) separation of the books and records of the Divestiture Business from those of IAG;

(ii) severance of the Divestiture Business's participation in any private shared information technology networks, to the extent possible without compromising the viability of the Divestiture Business;

(iii) implementation of specific electronic, information and physical security measures to maintain the confidentiality of any competitively sensitive information of the Divestiture Business; and

(iv) severance of arrangements to share personnel and plant between the Divestiture Business and any businesses to be retained by IAG, to the extent possible without compromising the viability of the Divestiture Business;

(c) details of contracts for the provision of goods or services to the Divestiture Business which will expire after the completion of the divestiture of the Divestiture Business to the Approved Purchaser and the actions which will be taken to ensure they are replaced, renewed and/or renegotiated on commercial terms favourable to the Divestiture Business;

(d) personnel planning to maintain appropriate personnel levels and ensure that the Divestiture Business has access to all personnel necessary to operate the Divestiture Business;

(e) any Material Changes to the Divestiture Business required in order to fulfil IAG's and the Approved Independent Manager's obligations pursuant to the Undertaking;

(f) the cooperation required from the Approved Independent Manager with IAG in relation to the divestiture of the Divestiture Business, including:

(i) the activities to be conducted by the Approved Independent Manager that are necessary for the effective operation of the Divestiture Business, having regard to the nature of the Divestiture Business (including the extent to which the Divestiture Business already has a management structure in place prior to the proposed acquisition that will be retained during the hold separate period);

(ii) the method by which due diligence information, site visits and personnel interviews by and to prospective purchasers of the Divestiture Business will be managed;

(iii) the method by which the Approved Independent Manager and IAG will preserve the confidentiality of the Divestiture Business's competitively sensitive information from IAG and its advisers throughout this process; and

(iv) a protocol whereby the Approved Independent Manager can provide any information requested by IAG without disclosing the details of the Divestiture Business's competitively sensitive information to IAG.

Schedule 4 - Compliance Officer Personal Undertaking

This Deed Poll is made on

BY

1. [*name*] of [*address*] (the **employee**)
2. in favour of [*] (**IAG**).

I _____ (full name) (the **employee**) agree that:

1. I have been provided with a copy of the section 87B undertaking given by IAG dated [insert] (**Undertaking**);
2. I will comply with the obligations set out in the Undertaking relevant to my role including (but not limited to):
   a. the obligations in relation to my role as the Compliance Officer set out in section 16.
3. I understand that a breach of clause 2 of this Deed Poll will be regarded as a serious breach of my obligations as an employee and that the sanctions for breach may include dismissal.

Executed and delivered as a Deed Poll [in [*]].

Schedule 5 – Divestiture Business

The Divestiture Business comprises the renewal rights in respect of Insurance Australia Group's active NRMA home and motor insurance book in Western Australia and the SGIO brand (at the option of the Approved Purchaser), and other associated assets as described in the table below.

Active NRMA WA Insurance Book

Asset	Information
Policies	The renewal rights in respect of all active policies in respect of risks located in Western Australia issued by Insurance Australia Limited (***IAL***) under the NRMA brand in respect of the product groups set out below that are in-force as at the date the Approved Sale and Purchase Agreement is executed (***Active NRMA WA Insurance Book***). Insurance Australia Limited will decline to renew policies forming part of the Active NRMA WA Insurance Book and the Approved Purchaser will be entitled to make offers to provide replacement cover to all policyholders in the Active NRMA WA Insurance Book. IAG will provide assistance to the Approved Purchaser to contact affected policyholders for the purpose of making offers of replacement cover. **Product groups** **Motor Insurance:** Personal lines general comprehensive car insurance, third party fire and theft, third party property insurance, caravan and trailer insurance, and motorcycle insurance including comprehensive, third party fire and theft and third party property damage issued under the NRMA brand, excluding compulsory third-party insurance. **Home and Contents Insurance:** Personal lines general home building insurance, contents insurance, combined building and contents insurance, landlord insurance and personal valuables insurance issued under the NRMA brand.
Policy Records	Subject to affected policyholders' consent, information relating to policies forming part of the Active NRMA WA Insurance Book, such as claims files and transaction records (for example, if the Approved Purchaser wishes to offer tenure or claims history based discounts in respect of the replacement policies)..
Business Records	All books and records (including all customer records) that are reasonably separable and are primarily related to, or required for the provision of replacement policies for the Active NRMA WA Insurance Book.
Personnel	All employees who are, in the reasonable view of the Approved Purchaser, required for the Approved Purchaser to maintain, operate or conduct effectively the Divestiture Business (subject to clauses 5.7and 5.8).
SGIO Brand	At the option of the Approved Purchaser, the SGIO brand and all other associated assets described in Confidential Schedule 6.

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