

AUB GROUP LTD

CAPITAL RAISING AND ACQUISITION

12 NOVEMBER 2018



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IMPORTANT NOTICE AND DISCLAIMER

SUMMARY INFORMATION

This document has been prepared by AUB Group Limited (ABN 60 000 000 715) ("AUB"). It is a presentation of general background information about AUB's activities current at the date of the presentation. It is information in a summary form and does not purport to be complete. It is to be read in conjunction with AUB's other announcements released to ASX (available at www.asx.com.au). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with professional advice, when deciding if an investment is appropriate.

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This Presentation contains forward looking statements, including statements regarding the completion and effects of the acquisition, the outcome of the capital raising and the implementation of AUB's acquisition strategy. These statements relate to expectations, beliefs, intentions or strategies regarding the future. Forward looking statements may be identified by the use of words like 'anticipate', 'believe', 'aim', 'estimate', 'expect', 'intend', 'may', 'plan', 'project', 'will', 'should', 'seek' and similar expressions.

The forward looking statements reflect views and assumptions with respect to future events as of the date of this Presentation. However, they are not guarantees of future performance. They involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of AUB and its directors and management, and may involve significant elements of subjective judgement and assumptions as to future events that may or may not be correct. Refer to the 'Key risks' section of this Presentation for a summary of certain risk factors that may affect AUB. There can be no assurance that actual outcomes will not differ materially from those expressed in the forward looking statements in this Presentation. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Presentation. Readers are cautioned not to place undue reliance on the forward looking statements, which are based only on information currently available to AUB. Except as required by applicable laws or regulations, AUB does not undertake to publicly update or revise the forward looking statements or this Presentation, whether as a result of new information or future events or circumstances.

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Investors should note that this Presentation contains pro forma historical financial information. The pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of AUB's views on its future financial condition and/or performance. The pro forma financial information has been prepared on the basis set out on slide 7. Investors should also note that the pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission (SEC), and such information does not purport to comply with Article 3-05 of Regulation S-X.

Investors should be aware that certain financial measures included in this presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934 and are not recognised under Australian Accounting Standards ("AAS") and International Financial Reporting Standards ("IFRS"). The non-IFRS financial information/non-GAAP financial measures include gearing, adjusted EPS and adjusted NPAT. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although AUB believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this Presentation. The financial information in the Presentation is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by the AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

IMPORTANT NOTICE AND DISCLAIMER (cont'd)

FINANCIAL DATA AND ROUNDING

All dollar values are in Australian dollars (\$) unless stated otherwise. A number of figures, amounts, percentages estimates, calculations of value and other fractions used in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

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- disclaim any obligations or undertaking to release any updates or revision to the information in this Presentation to reflect any change in expectations or assumptions; and
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You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements and the discretion of AUB and the Underwriter; and
- each of AUB and the Underwriter and their advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

The Underwriter may have interests in the securities of AUB, including by providing investment banking services to AUB. Further, the Underwriter may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Underwriter may receive fees for acting in its capacity as a lead manager and underwriter to the Offer.

Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice.

EXECUTIVE SUMMARY

Equity raising	- AUB is raising approximately A\$116 million via a fully underwritten 4 for 27 accelerated pro-rata non-renounceable entitlement offer (“Entitlement Offer”) - Proceeds from the Entitlement Offer will be used to repay part of AUB's current debt facility to provide additional financial flexibility for potential near-term growth initiatives, to fund the acquisition of an additional 44% interest in Adroit Holdings Pty Ltd (“Adroit”) and for the transaction and offer costs - This will result in a pro forma funding capacity as at 30 June 2018 of approximately A\$142 million and pro forma gearing of 7%⁽¹⁾
Funding and flexibility for future acquisitions	- Acquisitions across Australia and New Zealand continue to be a key element of AUB's strategy, complementing organic growth - Execution of AUB's strategy has resulted in a strong organic growth platform supplemented by acquisition activity - Completion of 31 acquisitions for a consideration of A\$168 million⁽²⁾ over the past 5 years has provided AUB with ownership of a robust network of diversified risk management enterprises while continuing the success of the ‘owner-driver’ model
Acquisition of additional 44% interest in Adroit	- AUB has signed an agreement to acquire an additional 44% interest in Adroit, taking total effective ownership to 94% - Completion is expected in early December 2018 for a total consideration of A\$21.7 million in cash - AUB's partnership with Adroit was first established in the late 1980's and the acquisition will provide AUB with an increased shareholding in the key Victorian broking group
Strong M&A track record and pipeline	- Disciplined, proven and replicable approach to acquisitions employed in line with our M&A criteria - Current strong pipeline of acquisition opportunities in various stages of evaluation and execution - Two New Zealand transactions completing in calendar 2018 approved by AUB Board
FY19 outlook reconfirmed	- No change to the FY19 Adjusted NPAT outlook as stated in the FY18 results presentation⁽³⁾ - In relation to financial misconduct identified and announced by AUB to the market on 18 October 2018, AUB's investigation continues and its current assessment is that the impact of the matter is unlikely to be material. Nothing has come to the attention of the Group to indicate that this misconduct extends beyond the identified entity

(1) Represents 30 June 2018 balances adjusted to reflect the repayment of A\$91.7 million of drawn debt, representing proceeds of A\$116.3 million less the Adroit acquisition consideration of A\$21.7 million and transaction and offer costs of A\$2.9 million.

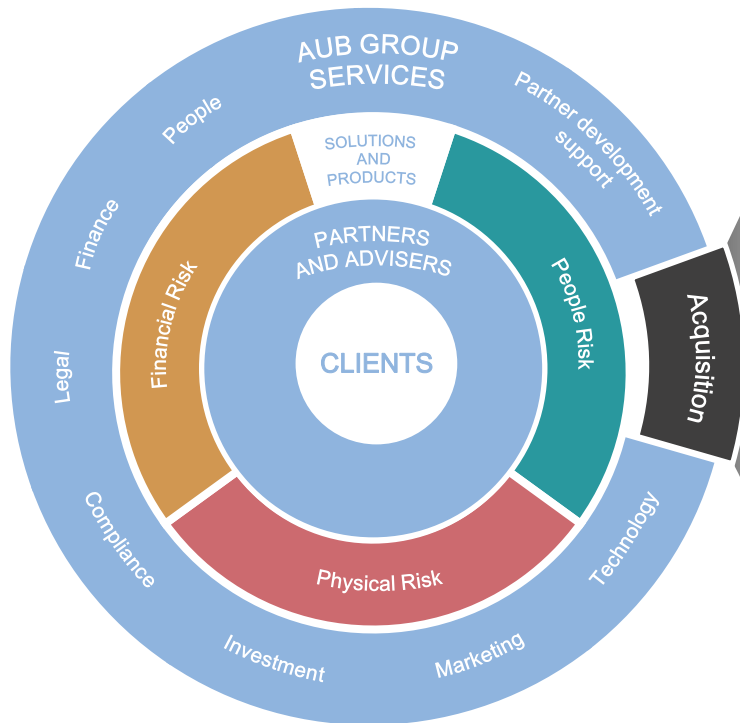
(2) Based on acquisitions by AUB and AUB's share of partner bolt-on acquisitions to 30 June 2018.

(3) See Appendix 1 of AUB's Full Year Results announcements dated 27 August 2018 for a reconciliation of Adjusted NPAT to Reported NPAT.

ACQUISITIONS ARE AN IMPORTANT ELEMENT OF AUB'S STRATEGY



AUB intends to continue to supplement organic growth by relevant acquisitions and start-up opportunities in Australia and New Zealand across Insurance Broking, Underwriting Agencies and Risk Services

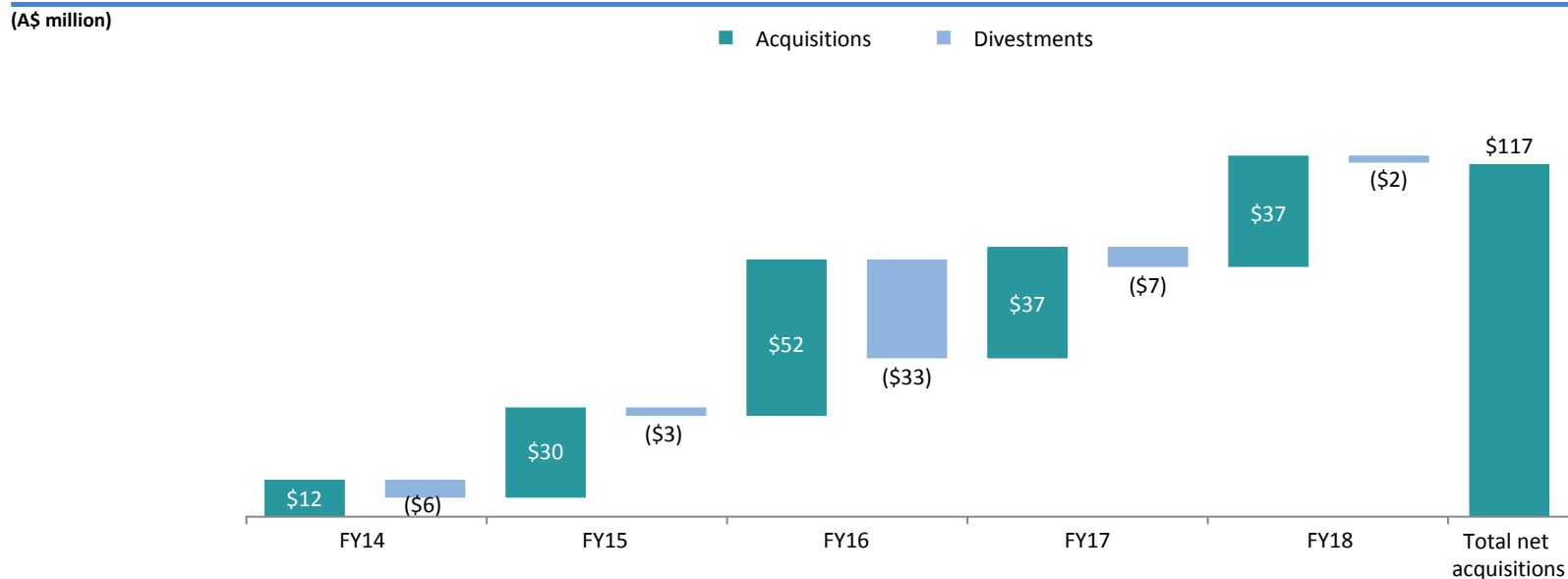


- **31** acquisitions executed since 1 July 2013⁽¹⁾
- **A\$168 million** total consideration paid⁽¹⁾
- Mix of corporate acquisitions and partner bolt-ons
 - AUB and partner firms seek to own between 50% and 100%, with ownership managed over time across the portfolio
- Strong pipeline of future acquisition opportunities in various stages of evaluation and execution
- Target after tax return on invested capital of at least **10%** before synergies
- Key acquisition selection and evaluation criteria
 - ✓ Alignment of values including fit with 'owner-driver' model
 - ✓ Ability of AUB to add value through platform integration
 - ✓ Complementary client bases and geographies
 - ✓ Financial returns

(1) Based on acquisitions by AUB and AUB's share of partner bolt-on acquisitions to 30 June 2018.

AUB ACTIVELY MANAGES ITS PORTFOLIO TO ENHANCE RETURNS

Evolution of AUB's acquisitions and returns⁽¹⁾



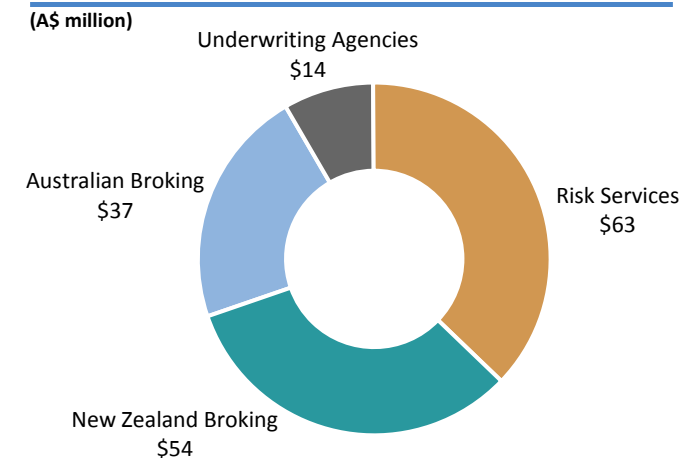
Gearing (Debt / Debt + Equity) ⁽²⁾	16.7%	17.5%	20.2%	21.6%	25.3%
Adj. EPS (c / share) ⁽³⁾	59.8	59.3	59.6	63.2	69.8
DPS (c / share)	38.5	39.7	40.0	42.0	45.5
Acquisitions (#)	2	5	7	9	8
Divestments (#)	3	5	7	7	3

(1) Based on AUB's share of acquisitions and divestments in each respective period (includes payment for contingent consideration from FY14 to FY18).

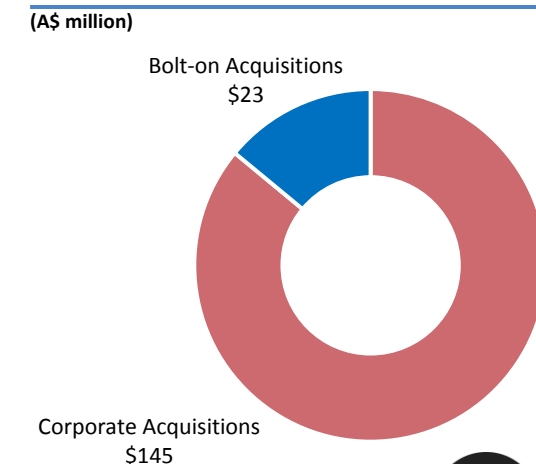
(2) Gearing at financial year end.

(3) Calculated as Adjusted NPAT / weighted avg. number of shares. Adjusted NPAT is NPAT excluding adjustments to carrying values of associates, profit on sale and deconsolidation of controlled entities, contingent consideration adjustments, impairment charge and amortisation of intangibles.

Acquisitions by business unit



Acquisitions by type



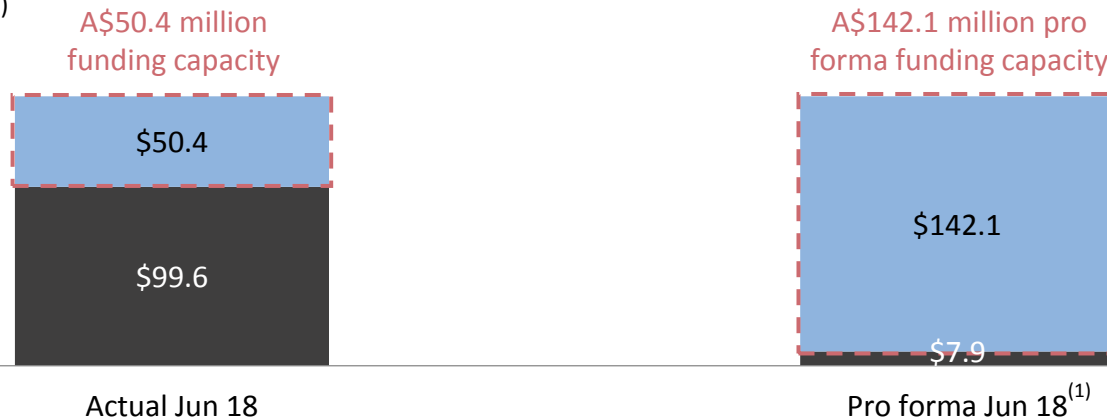
FLEXIBILITY TO FUND FUTURE GROWTH

Source of funds	A\$ million
Entitlement Offer	\$116.3
Total sources	\$116.3

Uses of funds	A\$ million
Acquisition of Adroit	\$21.7
Transaction and offer costs	\$2.9
Debt repayment	\$91.7
Total uses	\$116.3

Pro forma parent entity funding as at 30 June 2018

- Undrawn debt (A\$ million)
- Drawn debt (A\$ million)



- Parent entity multi-currency revolving debt facility of A\$150 million on a 3 year term (with extensions to 5 years)

Total group gearing (%)	25.3%	7.0%
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(1) Represents 30 June 2018 balances adjusted to reflect the repayment of A\$91.7 million of drawn debt, representing proceeds of A\$116.3 million less the Adroit acquisition consideration of A\$21.7 million and transaction and offer costs of A\$2.9 million.

ENTITLEMENT OFFER SUMMARY

Offer size and structure	Approximately A\$116 million via a fully underwritten 4 for 27 accelerated pro-rata non-renounceable entitlement offer Approximately 9.5 million New Shares to be issued (equivalent to approximately 14.8% of existing shares on issue) ⁽¹⁾
Offer price	The Entitlement Offer price is A\$12.30 per New Share (" Offer Price "), representing a: • 9.9% discount to the last traded price of \$13.65 on Friday, 9 November 2018; and • 8.7% discount to TERP of \$13.48⁽²⁾
Use of proceeds	Proceeds from the Entitlement Offer will be used to repay part of AUB's current debt facility to provide additional financial flexibility for potential near-term growth initiatives, to fund the acquisition of an additional 44% interest in Adroit and for the transaction and offer costs
Institutional investors	The Institutional Entitlement Offer will be conducted from Monday, 12 November 2018 to Tuesday, 13 November 2018
Retail investors	The Retail Entitlement Offer will open on Monday, 19 November 2018 and close on Thursday, 29 November 2018
Ranking	New Shares will rank equally with existing fully paid ordinary shares from their time of issue
Underwriting	The Entitlement Offer is fully underwritten

(1) In addition, 196,714 shares will be issued to executives during the offer period as a result of the expected exercise of vested options under the 2015 grant under AUB's Senior Executive Option Program (SEOP) and a further 81,312 options to be issued to executives pursuant to the 2018 grant. Any shares issued will not participate in the Entitlement Offer.

(2) TERP means the theoretical ex-rights price at which AUB shares should trade immediately after the ex-date of the Offer. TERP is a theoretical calculation only and the actual price at which AUB's shares trade at that time will depend on many factors and may not be equal to TERP.

TIMETABLE

Event	Date ⁽¹⁾
Trading halt and announcement of the acquisition of Adroit; Institutional Entitlement Offer opens	Monday, 12 November 2018
Institutional Entitlement Offer closes	Tuesday, 13 November 2018
Trading halt lifted – shares recommence trading on ASX	Wednesday, 14 November 2018
Record date for determining entitlement to subscribe for New Shares	7:00pm AEDT Wednesday, 14 November 2018
Retail Entitlement Offer opens	Monday, 19 November 2018
Retail Offer Booklet and Application and Entitlement Forms dispatched	Monday, 19 November 2018
Settlement of New Shares issued under the Institutional Entitlement Offer	Wednesday, 21 November 2018
Allotment and trading of New Shares issued under the Institutional Entitlement Offer	Thursday, 22 November 2018
Retail Entitlement Offer closes	5:00pm Thursday, 29 November 2018
Settlement of New Shares issued under the Retail Entitlement Offer	Thursday, 6 December 2018
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 7 December 2018
Quotation and trading of New Shares issued under the Retail Offer	Monday, 10 December 2018
Expected dispatch of holding statement	Tuesday, 11 December 2018

(1) All dates and times are indicative and subject to change without notice. Times refer to Sydney time. AUB reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.



KEY RISKS



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GENERAL RISKS

Set out below are general risks applicable to the AUB and its controlled entities (“AUB Group”).

REDUCTION OF GROSS WRITTEN PREMIUM IN THE AUSTRALIAN AND NEW ZEALAND GENERAL INSURANCE MARKET

AUB Group derives most of its revenue as a result of sales of general insurance products either as agent of the customer through its broker network or as agent of the insurer through its underwriting agency business. A substantial portion of the broker revenue consists of commissions that are based on a proportion of the premium payable by the customer. AUB’s revenues could be adversely affected if any reduction in sales volumes or premium prices resulted in a reduction in the overall level of insurance premium paid by insurance customers (known as “gross written premium”) declined in Australia and/or New Zealand.

Gross written premium is influenced by factors including pricing decisions by insurers and the level of demand for general insurance products. Any softening in local and global economic conditions is likely to lead to a softening in the level of gross written premium.

RELIANCE ON DIVIDENDS FROM NETWORK

As AUB is a holding company, the amount of cash available to AUB to, among other things, pay dividends to AUB shareholders depends in part on the timing and amount of dividends paid by member firms of AUB’s network. The amounts available will depend on the financial performance of member businesses and the decisions made by their boards to declare dividends, which we may not control and are subject to corporate law requirements.

BUSINESS MODEL OF ACQUIRING AND HOLDING EQUITY IN OPERATING BUSINESSES

An important part of AUB’s business model and its growth strategy is to acquire and hold equity in insurance broking, underwriting agency or risk services businesses. While AUB ordinarily has veto rights on most decisions concerning AUB Group members, it may not have the capacity to implement its decisions in all cases.

Risks resulting from this model include:

- disputes regarding the acquisition, including the amount and timing of any deferred consideration;
- deficiencies in due diligence by AUB;
- competition for opportunities;
- potential unknown or contingent liabilities;
- reliance on partners (including management who hold an equity stake within the operating businesses) who may not perform satisfactorily or with whom the relationship may break down, which may lead to issues with decision-making; and
- insufficient funding to capitalise on opportunities.

AUB has entered into put option arrangements with other shareholders in a small number of AUB network firms that upon vesting will entitle the shareholders to require AUB to buy their shares. In each case, the earliest date the option can be exercised is five years after the date AUB acquired its initial shareholding, and the first such options will become exercisable in approximately 15 months. AUB calculates that the present value of its total liability if all such options were exercised is approximately \$26.4 million. AUB’s future growth may be limited by a lack of suitable future targets to continue AUB’s strategy of acquisitions or a failure of previous acquisitions to perform to expectations and its financial performance may be adversely affected.

IMPAIRMENT OF INTANGIBLE ASSETS

AUB’s balance sheet includes a significant level of intangible assets, such as goodwill and insurance broking registers, recognised as a result of its various acquisitions. Intangible assets are regularly tested to determine their “recoverable amount”. The recoverable amount is the higher of estimated fair value less costs to sell and “value in use”, which is an estimate of value based on future cash flows. If the recoverable amount of an asset is lower than its carrying value, AUB would recognise an impairment, which would result in the carrying value of the asset being reduced on AUB’s balance sheet and the amount of the impairment being recorded as an expense in AUB’s income statement for the relevant period. A material impairment would result in lower profits or a loss for an accounting period.

GENERAL RISKS (cont'd)

KEY PERSON RISK

AUB relies on its key employees and key employees within the executive team or the operating businesses may retire or resign or transition to other positions in the AUB Group. Material business interruption and loss of key customer relationships may result, particularly if a number of key employees leave at one time.

AUB has announced that CEO and MD, Mark Searles, intends to step down in October 2019. AUB has engaged in a recruitment process and will transition leadership over the coming year.

ACTIONS BY EMPLOYEES THAT ARE ILLEGAL OR DO NOT MEET COMMUNITY STANDARDS

Actions by employees of AUB or the member firms of the AUB network that are fraudulent, breach laws, reflect fraudulent misconduct, or fail to meet community standards could expose the AUB and/or the member firms to liability to customers or partners, regulatory action and penalties and reputational damage that affects its ability to win and retain business. This risk may be higher at member firms where AUB does not control the day-to-day operations and therefore has less ability to ensure compliance with its policies and procedures and maintain an appropriate culture than it does with its own direct employees.

LOSS OF AUB NETWORK MEMBERS

AUB's financial results substantially depend on the business generated by AUB's network members, and therefore if members were to leave the network, AUB's revenues and profit would likely be reduced. While there are significant barriers to member firms leaving the network, including, in most cases, AUB's right to pre-empt a sale of other shareholders' equity and restrictions on a former network member competing with the AUB member network, nevertheless network firms may leave.

MANAGEMENT OF MEMBER SUCCESSION

AUB's future growth depends, in large part, on the ability of its member firms to retain suitably qualified and motivated professionals to continue to manage and develop the individual businesses. The insurance broking, underwriting agency and risk services industries have rationalised significantly in recent years due to, among other things, the ageing profile of industry participants, who are increasingly seeking to exit from their investments prior to retirement. In order to continue AUB's success, AUB will need to ensure that their businesses prepare for and manage succession issues.

RELIANCE ON STRATEGIC PARTNERS

AUB depends on relationships with strategic partners such as insurers and premium funders. The loss of any of these relationships could adversely affect AUB's business by reducing the range of products and services AUB Group can offer with respect to both the insurance brokerage and underwriting agency businesses. This could result in lower revenue from fees and commissions.

INCREASED COMPETITION OR CHANGES TO THE DYNAMICS OF THE INSURANCE INDUSTRY

Any increase in competition or deterioration in the competitive positioning of AUB may have an adverse impact on AUB network members, and could potentially result in a reduction in gross written premium placed through their AUB network members due to a loss of market share; a reduction in fees and commissions fees and/or a reduction in margins which may adversely impact the revenue and earnings of AUB network members.

Increased competition from new entrants and existing market participants in markets in which operating businesses operate, including increased commoditisation of business insurance products, may have an adverse impact of earnings. If there are changes in the remuneration model for, or the use of, insurance brokers, underwriting agencies, or risk services businesses this may adversely impact AUB's earnings and/or financial position and performance. In addition, increased competition or a change in the market structure for premium funding may also adversely impact upon the premium funding business in which AUB has an equity interest, ultimately potentially adversely impacting AUB's earnings.

AUB Group, through its network, offers to customers a selection of products from a range of insurers. AUB Group in some cases acts as agent of the insurers. Insurers may choose to reduce their reliance on insurance brokers and underwriting agencies including through an increase in their direct web based distribution models. For instance, insurers may target clients directly, as opposed to through insurance brokers. There have been attempts by insurers to move directly into the SME sector. AUB's ability to offset these pressures will depend on its ability to provide value-added services such as risk management and consulting services to its clients. The Australian general insurance industry has consolidated significantly over the last decade and further insurer consolidation may result in a more limited product set and/or greater pricing power for insurers which may result in downwards pressure on commissions and fees.

GENERAL RISKS (cont'd)

ROYAL COMMISSION AND OTHER REGULATORY RISK & CHANGES IN LAW, REGULATION AND GOVERNMENT POLICY

AUB's operating entities, network brokers and underwriting agencies are required to individually comply with their Australian Financial Services licence ("AFSL") requirements and financial services laws, including by ensuring that they and their authorised representatives comply with the law and the conditions of the AFSL. In the event of non-compliance with law or licence conditions, a licence may be suspended or withdrawn, legal or regulatory proceedings may be commenced, monetary penalties may be imposed and the AFSL holder may be required to pay compensation. This may have an adverse impact on AUB's earnings and/or financial position, performance and reputation and ability to win new business and retain existing business.

The financial services industry has been, and is likely to continue to be, the subject of significant changes to the regulatory environment in which it operates. In particular, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (the "Royal Commission") may result in increased regulation in the insurance industry. This may include changes to the regulation relating to the design and sale of life and general insurance products, the handling of claims and the appropriateness of the current regulatory regime for the insurance industry. In addition, the Australian government has proposed laws that would introduce new obligations with respect to the design and distribution of financial products, including insurance. These and other regulatory changes may impact AUB and/or its operating entities through increased compliance costs and changes to operating procedures that may adversely affect AUB's profitability. New regulation may have unintended consequences that harm the industry or AUB's business. In addition, a number of reviews are underway in New Zealand with respect to the financial services industry and the New Zealand financial services regulatory regime and it is likely that this process will result in regulatory changes in New Zealand as well.

In October 2018, ASIC made a submission to the Royal Commission recommending, along with other recommendations, that the insurance sector no longer be exempted from the prohibitions on conflicted remuneration. If enacted into law, this would require a change in certain circumstances under which AUB's partners derive a portion of their revenue and could result in a decrease in overall revenues.

Changes in relevant taxation laws, accounting standards, other legal, legislative and administrative regimes, and government policies may have an adverse impact on the operations and ultimately the financial position and performance of AUB.

INFORMATION AND TECHNOLOGY SYSTEMS RISK

AUB depends on the effectiveness and security of a number of information technology systems to operate its business and monitor and report its financial position and results of operations. It also relies on third parties for the provision of the information technology systems and services. Any interruption to the operation of these systems may interrupt AUB's business, resulting in loss of business, while any breach of AUB's data security, including through malicious cyber activity, could result in unauthorised access to and misuse of AUB's data and that of its customers. If this occurs, AUB may incur costs to restore and upgrade its systems, liability, regulatory intervention, damage to its reputation and loss of business.

When AUB undertakes strategic IT projects, such as outsourcing aspects of its IT system, adopting new systems and upgrading existing ones, it faces implementation risk, such as cost overruns and lack of expected functionality.

AUB relies on proprietary and third party software products and services. If AUB is unable to integrate the latest software developments in a fully functional manner, it may experience difficulties that could delay or prevent the successful development, introduction or marketing of new products and services.

ACCESS TO FUNDING

AUB's strategy relies upon access to funding to capitalise on opportunities, including new acquisitions and to refinance its existing debt. Its liquidity and ability to grow its business may be affected if credit markets are interrupted, and its profitability may be adversely affected if the cost of finance increases. The availability and cost of funding may be affected by macroeconomic factors in Australia and globally as well as by the performance of AUB's business and industry.

LITIGATION

AUB, its network members and its partners may from time to time be involved in legal disputes arising from its business, operations and the activities of its employees and authorized representatives. These disputes may lead to legal proceedings and may cause AUB to incur significant costs, disrupt its business and divert the attention of management.

DAMAGE TO AUB'S BRANDS

AUB is heavily reliant on the successful reputation and branding of its operating brands Austbrokers and SURA. Issues or events that damage these brands, such as perceptions of poor client service or advice, wrongdoing by employees or authorised representatives, other compliance issues or data security breaches could impede its ability to compete successfully and result in loss of business.

GENERAL RISKS (cont'd)

MARKET RISKS

There are risks associated with any investment in a company listed on a stock market. The price at which shares trade on the ASX may be affected by the financial performance of AUB and by external factors over which AUB and its directors have no control. These factors include movements in Australian and international stock markets and investor sentiment, domestic and international economic conditions and outlook, and changes to the relevant indices in which AUB may participate, the weighting that AUB has in the indices and the implications of those matters for institutional investors that impact their investment holdings in shares. The market price for AUB's shares could fluctuate in response to a wide range of factors and actual or anticipate events, including the financial performance or outlook for the Australian general insurance market, variations in AUB's prospects or operating results, or the actual or perceived value of AUB.

Acts of terrorism or an outbreak of international hostilities may adversely affect consumer confidence and lead to a downturn in client spending. This may adversely affect the revenue generating ability of AUB which could have a negative impact on the value of AUB's shares.

GENERAL ECONOMIC AND BUSINESS CONDITIONS

AUB's operating and financial performance is influenced by a variety of general economic and business conditions, exchange rates, inflation, commodity prices, ability to access funding, supply and demand conditions, government fiscal, monetary and regulatory policies, changes in gross domestic product and economic growth, employment levels and consumer spending, consumer and investment sentiment and property market volatility.

Prolonged deterioration in these conditions, including an increase in interest rates, a reduction in the rate of inflation, an increase in the cost of capital or a decrease in consumer demand, could have a materially adverse impact on AUB's operating and financial performance.

TRANSACTION-SPECIFIC RISKS

UNDERWRITING RISK

Subject to the terms and conditions of the underwriting agreement between AUB and the Underwriter, the Underwriter has agreed to fully underwrite the Offer. If certain conditions are not satisfied or certain termination events occur, the Underwriter may terminate the underwriting agreement. Also, if there is a material adverse change which impacts the financial position or performance, among other things, of the AUB Group then the Underwriter has the ability to notify the Company and renegotiate a new offer price (which may be the same, above or below the current offer price). The termination of the underwriting agreement would have an adverse impact on the proceeds raised under the Offer.



INTERNATIONAL SELLING RESTRICTIONS



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

INTERNATIONAL SELLING RESTRICTIONS

This document does not constitute an offer of new ordinary shares (“New Shares”) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

CANADA (BRITISH COLUMBIA, ONTARIO AND QUEBEC PROVINCES)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the “Provinces”) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are “accredited investors” within the meaning of NI 45-106 - Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such New Shares. Any person in the Provinces lawfully participating in the Entitlement Offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a “Canadian financial institution” or a “Schedule III bank” (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the transaction, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglais seulement.

INTERNATIONAL SELLING RESTRICTIONS (cont'd)

HONG KONG

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

NEW ZEALAND

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “FMC Act”).

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

SINGAPORE

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company’s shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) an “accredited investor” (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Notification under Section 309B(1)(c) of the SFA -- In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “CMP Regulations 2018”), the Company has determined the classification of the New Shares as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

INTERNATIONAL SELLING RESTRICTIONS (cont'd)

UNITED KINGDOM

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

UNITED STATES

This document may not be released or distributed in the United States.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which an offer would be illegal. Neither the entitlements nor the New Shares have been, or will be, registered under U.S. Securities Act or the securities laws or any state or other jurisdiction of the United States.

Accordingly, neither the entitlements nor the New Shares may be offered or sold, directly or indirectly, to persons in the United States, unless they have been registered under the U.S. Securities Act (which the Company has no intention or obligation to do or procure), or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.