



10 December 2018

## **IOOF appoints Acting Chairman and Acting Chief Executive Officer**

The Board of IOOF Holdings Ltd (ASX:IFL) today announced that IOOF Managing Director, Christopher Kelaher and Chairman, George Venardos, have agreed to step aside from their respective positions effective immediately, pending resolution of proceedings brought by the Australian Prudential Regulation Authority (APRA) and announced last Friday, 7 December.

Mr Renato Mota, currently Group General Manager - Wealth Management, has been appointed Acting Chief Executive Officer and Mr Allan Griffiths, a current non-executive Director of IFL, is Acting Chairman.

Both Mr Kelaher and Mr Venardos will be on leave while they focus on defending the actions brought against them by APRA.

Chief Financial Officer David Coulter, Company Secretary Paul Vine and General Counsel Gary Riordan will remain in their positions, however will have no responsibilities in relation to the management of the IOOF trustee companies and will have no engagement at all with APRA during this period, including in relation to the matters the subject of APRA's announcement of Friday 7 December.

Acting Chairman, Allan Griffiths said, "We maintain our position that the allegations made by APRA are misconceived, and will be vigorously defended. The Board believes that, in the interests of good governance, it is appropriate that Chris and George step aside from their positions. The Board will also commence a search for an additional non-executive Director.

"We acknowledge the seriousness of these allegations. We have a responsibility to our superannuation members, shareholders, advisers, employees and the wider community, to take decisive action. We are entirely focused on addressing the governance issues in the interests of all stakeholders and will do so in an orderly manner.

"I will personally lead our review of the situation and, alongside Acting CEO Renato Mota, will work cooperatively with APRA to continue to implement previously agreed initiatives. Many of these actions are already complete.

"As we noted at the recent AGM, the company's business is in a strong position. As reported in the full year results announcement in August, we achieved a record underlying net profit after tax result in financial year 2018 of \$191.4 million, up 13 per cent on the financial year 2017 result.

"Importantly, these results have been delivered by our unwavering commitment to our clients, driven by our talented people and a recognition of the importance of advice. We remain committed to the ANZ transaction and we are working cooperatively with ANZ as they consider their position."

## Issues at hand

IOOF has been working with APRA on a 'Managed Action Plan' (MAP) to formalise various initiatives, which involve:

- Registrable Superannuation Entity (RSE) and Responsible Entity (RE) functions: separating the RSE and RE functions of both IOOF Investment Management Limited (IIML) and Australian Executor Trustees Limited into distinct legal entities. Following recent discussions with APRA, the process to effect this separation has been approved by the relevant Boards and is underway. This process involves various licensing issues and other significant work that will take some time to implement effectively and will address many of the other issues included in the MAP. We will progress this initiative with diligence and as expeditiously as possible.
- Dedicated business function: establish this function to support the APRA Regulated Entities (AREs), with the final structure to be in place by the end of March 2019.
- Independent Chair and majority independent Board: appointing an independent Chair to lead a majority independent Board of each of the AREs. An independent Chair has been in place since September on these Boards. The ARE Boards now also comprise a majority of directors independent of the IOOF Board. Both Mr Kelaher and Mr Venardos had resigned from the ARE Boards before APRA commenced its current action. The restructure and composition of the ARE Board committees has also been completed.
- Consolidating our RSEs: post acquisition of the ANZ business. This matter will be progressed in due course.
- Independent review: completing the independent review (conducted by EY) and putting in place an action plan to address the issues coming out of the review. This action plan is in place and execution is progressing.
- Reporting to APRA: we continue to report to, and meet with, APRA on a regular basis.

IOOF will continue to diligently progress these initiatives and fully support the AREs in that process. The majority independent ARE Boards will continue to monitor progress against the MAP and continue to work with APRA to finalise the actions.

IOOF welcome changes to oversight and regulations which improve the interests and lives of our clients. While the Royal Commission has placed considerable scrutiny on the industry, we believe that ultimately a better financial services environment will be created for all.

-ENDS-

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## About IOOF Holdings Ltd

IOOF has been helping Australians secure their financial future since 1846. During that time, we have grown substantially to become one of the largest independent groups in the financial services industry.

IOOF provides advisers and their clients with the following services:

- **Financial Advice** representing our extensive network of financial advisers and stockbrokers;
- **Platform Management and Administration** for advisers, their clients and hundreds of employers in Australia;
- **Investment Management** products that are designed to suit any investor's needs; and
- **Trustee Services** including private client trustee services, estate planning and compensation trusts.

Further information about IOOF can be found at [www.ioof.com.au](http://www.ioof.com.au)

