

# Notice of Annual General Meeting



Notice is hereby given that the 2014 Annual General Meeting of IOOF Holdings Ltd ("the Company") will be held at 9:30 am on Tuesday 25 November 2014, at the offices of Ord Minnett, Level 23, 120 Collins Street, Melbourne, Victoria 3000, for the purpose of transacting the business set out in this Notice of Annual General Meeting. Registration opens at 8:30 am.

The Explanatory Notes to this Notice of Annual General Meeting provide additional information on matters to be considered at the Meeting. The Explanatory Notes and the Proxy Form constitute part of this Notice.

## Items of business

### Ordinary business

#### 1. Receipt of Financial Statements and Reports

To receive and consider the Annual Financial Report, the Directors' Report and the Auditor's Report of the Company and its controlled entities for the year ended 30 June 2014.

#### 2. Election and Re-election of Directors

To consider, and if thought fit, to pass the following resolutions as ordinary resolutions:

- a To re-elect Mr Ian Griffiths as a Director.
- b To re-elect Dr Roger Sexton as a Director.
- c To elect Mr Allan Griffiths as a Director.

#### 3. Remuneration Report

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

To adopt the Remuneration Report, as contained in the Directors' Report, for the year ended 30 June 2014.

The vote on the Remuneration Report resolution is advisory only and does not bind the Directors or the Company.

#### 4. Grant of Performance Rights to the Managing Director

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That approval be given for the grant of 75,000 performance rights and shares on exercise of those rights to the Managing Director, Mr Christopher Kelaher, under the Company's Long Term Incentive Plan, as described in the Explanatory Notes.

#### 5. Financial assistance in connection with the acquisition of SFG Australia Limited

To consider, and if thought fit, to pass the following resolution as a special resolution:

That, for the purposes of section 260B(2) of the Corporations Act 2001 (Cth) ("Corporations Act"), approval is given for financial assistance to be provided by SFG Australia Limited ("SFG") and each wholly owned subsidiary of SFG, in connection with the acquisition by the Company of all issued ordinary shares in SFG (except the ordinary shares already controlled by the Company), as described in the Explanatory Notes.

#### By Order of the Board of Directors

This Notice of Annual General Meeting and the Explanatory Notes are important and should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your professional adviser.

**Danielle Corcoran**  
Company Secretary  
30 September 2014

## Notes to the Notice of Annual General Meeting

### 1. Explanatory Notes

The Company's shareholders should read the Explanatory Notes accompanying, and forming part of, this Notice of Annual General Meeting for more details on the resolutions to be voted on at the Annual General Meeting. The information provided is intended to assist shareholders in understanding the reasons for the resolutions and their effect if passed.

### 2. Voting Entitlements

The Company's Board of Directors, being the convener of the Annual General Meeting, has determined that the shareholding of each shareholder for the purposes of ascertaining voting entitlements at the Annual General Meeting will be as it appears in the share register of the Company at 7:00 pm (AEDT) on 23 November 2014.

This means that if you are not the registered holder of relevant shares in the Company at that time, you will not be entitled to vote in respect of those shares.

### 3. How to exercise your right to vote

You may vote in person, by proxy or by attorney. For example, you may vote:

- By attending the Annual General Meeting and voting in person, or if you are a corporate shareholder, having a corporate representative attend and vote for you; or
- By appointing a proxy to attend and vote for you, by completing the proxy form provided with this Notice of Annual General Meeting. Where a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:
  - Appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with the Corporations Act; and
  - Provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

### 4. Voting by proxy

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or (if entitled to cast two or more votes) two proxies to attend and vote instead of the shareholder.

If you appoint a proxy and also attend the meeting, the proxy's authority to speak and vote at the meeting will be suspended while you are present at the meeting.

If a shareholder appoints two proxies, each proxy may be appointed to represent a specified proportion or number of the shareholder's votes. If a shareholder appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half of those votes.

An additional proxy form will be supplied by the Company on request.

Subject to any applicable voting restrictions, where an appointment specifies the way the proxy is to vote on a particular resolution:

- The proxy is not required to vote on a show of hands, but if the proxy does so, the proxy must vote as directed;
- If the proxy has two or more appointments that specify different ways to vote on the resolutions, the proxy must not vote on a show of hands;
- If the proxy is not the Chairperson, the proxy need not vote on a poll but if the proxy does so, the proxy must vote as directed; and
- If the proxy is the Chairperson, the proxy must vote on a poll and must vote as directed.

A proxy may be an individual or a body corporate, and the proxy need not be a shareholder of the Company. In addition, there are now some circumstances where the Chairperson will be taken to have been appointed as a shareholder's proxy for the purposes of voting on a particular resolution even if the shareholder has not expressly appointed the Chairperson as their proxy.

This will be the case where:

- The appointment of proxy specifies the way the proxy is to vote on a particular resolution;
- The Chairperson is not named as the proxy;
- A poll has been called on the resolution; and
- Either of the following applies:
  - (i) the proxy is not recorded as attending the Annual General Meeting; or
  - (ii) the proxy attends the Annual General Meeting but does not vote on the resolution.

Shareholders should consider directing their proxy as to how to vote on each resolution by crossing either a 'for', 'against' or 'abstain' box when lodging their proxy form to ensure that their proxy is permitted to vote on their behalf in accordance with their instructions.

Where the Chairperson is appointed as proxy, unless he is restricted from voting on a resolution, he will vote in accordance with the shareholder's directions as specified on the proxy form or, in the absence of a direction, in favour of the resolutions set out in the Notice of Meeting.

A proxy form is enclosed with this Notice of Annual General Meeting. If you wish to exercise your right to appoint a proxy or proxies to attend and vote for you at the Annual General Meeting, a proxy form and the authority (if any) under which it is signed, or a certified copy of that authority, must be either:

- Sent by post to the Company's registry, Boardroom Pty Limited, GPO Box 3993 Sydney NSW 2001
- Delivered by hand to Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW 2000; Level 8, 446 Collins Street, Melbourne VIC 3000; or 123 Eagle Street, Brisbane QLD 4000
- Sent by facsimile to the Company C/- Boardroom Pty Limited on facsimile 02 9290 9655.
- Submitted online at Boardroom's website ([www.votingonline.com.au/IOOFAGM2014](http://www.votingonline.com.au/IOOFAGM2014)) in accordance with the instructions given (you will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website).

Proxy forms must be received by Boardroom Pty Limited or the Company no later than 9:30 am on 23 November 2014 (being no later than 48 hours before the time for the holding of the Annual General Meeting).

The proxy form must be signed by the shareholder or an attorney duly authorised in writing (if you choose to submit your proxy form online, you will be taken to have signed the proxy form if you lodge it in accordance with the instructions given on the website).

The power of attorney or other authority (if any) under which the proxy form is signed (or a certified copy of that power of authority) must also be received by the Company (or Boardroom Pty Limited on behalf of the Company) no later than 9:30am (AEDT) on 23 November 2014. If the shareholder is a company, the form must be executed in accordance with section 127 of the Corporations Act, or by its duly authorised officer or attorney.

## 5. Voting Exclusions

### Resolution 3

A vote must not be cast (in any capacity) on resolution 3 by or on behalf of a member of the key management personnel, details of whose remuneration are included in the Remuneration Report ("KMP") or their closely related parties. However, a vote may be cast on resolution 3 by such a person as proxy for a person entitled to vote on resolution 3 if:

- the proxy appointment is in writing and specifies how the proxy is to vote on resolution 3; or
- the proxy is the Chairperson; and
  - the appointment does not specify the way the proxy is to vote on resolution 3; and
  - the appointment expressly authorises the Chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the KMP.

If the Chairperson is your proxy or is appointed your proxy by default, and you do not direct your proxy to vote 'for', 'against' or 'abstain' on resolution 3 on the proxy form, you will be expressly authorising the Chairperson to exercise your proxy by completing and returning the proxy form even if that resolution is connected directly or indirectly with the remuneration of a KMP.

The Chairperson intends to vote undirected proxies in favour of resolution 3.

### Resolution 4

The Company will disregard any votes cast on resolution 4 by any Director (except those who are ineligible to participate in any employee incentive scheme in relation to the Company) and their associates. Further, a vote must not be cast on resolution 4 by a KMP, or a closely related party of a KMP acting as proxy if their appointment does not specify the way the proxy is to vote on resolution 4.

However, the Company will not disregard a vote on resolution 4 if:

- it is cast by a person referred to above as proxy for a person who is entitled to vote on resolution 4 and the vote is cast, in accordance with the directions on the proxy form; or
- it is cast by the Chairperson as proxy for a person who is entitled to vote on resolution 4 and the proxy appointment expressly authorises the Chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the KMP.

If the Chairperson is your proxy or is appointed your proxy by default, and you do not direct your proxy to vote 'for', 'against' or 'abstain' on resolution 4 on the proxy form, please note that you will be expressly authorising the Chairperson to exercise your proxy by completing and returning the proxy form even if that resolution is connected directly or indirectly with the remuneration of the KMP.

The Chairperson intends to vote undirected proxies in favour of resolution 4.

## Explanatory Notes

These Explanatory Notes have been prepared for the information of shareholders in relation to the business to be conducted at the Annual General Meeting of the Company's shareholders to be held at the offices of Ord Minnett, Level 23, 120 Collins Street, Melbourne, Victoria 3000 on Tuesday 25 November 2014 at 9.30am.

The purpose of these Explanatory Notes is to provide shareholders with more information on the proposed resolutions. Shareholders should read the Notice of Annual General Meeting and Explanatory Notes in their entirety before deciding how to vote on each resolution.

## Items of business

### Resolution 1: Receipt of financial statements

The financial results for the year ended 30 June 2014 are set out in the Company's 2014 Annual Report. In accordance with the Corporations Act, shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Annual Financial Report, the Directors' Report and the Auditor's Report of the Company and its controlled entities for the year ended 30 June 2014.

During the discussion on this resolution, the Company's Auditor, KPMG, will be present and will answer questions that are relevant to the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report. Shareholders may submit written questions for the Auditor up to five business days before the date of the Annual General Meeting.

Shareholders wishing to do so may send their questions to the Company c/- Company Secretary, IOOF Holdings Ltd, Locked Bag 4004, QVB Post Office, Sydney, NSW 1230. The Company Secretary will pass the questions on to the Auditor.

### Resolutions 2(a), 2(b) and 2(c): Election and Re-election of Directors

The ASX Listing Rules and the Constitution of the Company require the Company to hold an election of Directors each year. Relevantly, the Constitution of the Company requires that at each Annual General Meeting, one third of the Directors (excluding the Managing Director, any Director appointed by the Board to fill a casual vacancy or any Director whose office is terminated) must retire from office and provided that they are eligible, they may offer themselves for re-election. If their number is not a multiple of 3, then the number nearest to but not less than one third must retire.

Accordingly, 2 Directors must retire from office this year and they are offering themselves for re-election at this Annual General Meeting.

Mr Allan Griffiths, having been appointed as a Director since the Company's last Annual General Meeting, holds office under such an appointment only until the next Annual General Meeting of the Company. Being eligible, he offers himself for election.

## **Resolution 2(a) – Re-election of Director**

Mr Ian Gregory Griffiths  
C.Acc, DipAll, MIIA, Age 61  
(Non-Executive Director)

### **Experience and expertise**

Non-Executive Director of IOOF Holdings Limited since April 2009.

Mr Griffiths has over 40 years' experience in the financial services and superannuation industry. Mr Griffiths' superannuation administration and business consulting career commenced with AMP in 1972. Mr Griffiths has extensive industry knowledge and skills particularly in operations and mergers and acquisitions.

### **Special Responsibilities**

Member of the Remuneration Committee

Member of the Audit Committee

Mr Griffiths last stood for re-election in 2011.

## **Recommendation**

The Board (other than Mr Griffiths who is the subject of the relevant resolution) recommends that shareholders vote in favour of Mr Griffiths' re-election.

## **Resolution 2(b) – Re-election of Director**

Dr Roger Neil Sexton AM  
B.Ec. (Hons), M.Ec. Ph.D (Econ), FAICD, FAIM. FFin, C. P. Mgr, C.Univ, Age 65  
(Non-Executive Director)

### **Experience and expertise**

Non-Executive Director of IOOF Holdings Limited since 2002.

Dr Sexton has more than 25 years' experience in senior management in finance and the investment banking industry. Dr Sexton is a specialist in the areas of corporate reconstruction, mergers and acquisitions, and asset management. Dr Sexton is a fellow of the Australian Institute of Management, Fellow of the Australian Institute of Company Directors and a Senior Fellow of the Financial Institute of Australia. Dr Sexton is formerly a Director of TWT Group Ltd from 2008 to 2014 and a Member of the Australian Accounting Standards Board from 2010 to 2013.

### **Special Responsibilities**

Chairman of IOOF Holdings Limited

Chairman of Perennial Investment Partners Limited

Chairman of the Remuneration and Nominations Committee

Member of the Audit Committee

Dr Sexton last stood for re-election in 2012.

## **Recommendation**

The Board (other than Dr Sexton who is the subject of the relevant resolution) recommends that shareholders vote in favour of Dr Sexton's re-election.

## **Resolution 2(c) – Election of Director**

Mr Allan Raymond Griffiths  
B.Bus, DipLI, Age 62  
(Non-Executive Director)

### **Experience and expertise**

Non-Executive Director of IOOF Holdings Limited since July 2014.

Mr Griffiths has more than 30 years' experience in the financial services industry with a deep understanding of the insurance sector. Mr Griffiths has held a number of executive positions within the financial services industry most notably as long term Chief Executive Officer AVIVA Australia and later, Managing Director South East Asia, AVIVA Asia Pte Ltd. Prior to joining Aviva, Mr Griffiths held executive positions with Norwich Union and Colonial Ltd.

### **Special Responsibilities**

Member of the Audit Committee

Member of the Risk & Compliance Committee

## **Recommendation**

The Board (other than Mr Griffiths who is the subject of the relevant resolution) recommends that shareholders vote in favour of Mr Griffiths' election.

## **Resolution 3: Remuneration Report**

Section 250R(2) of the Corporations Act requires publicly listed companies to put a resolution to shareholders to adopt the company's remuneration report for the financial year.

The Company's Remuneration Report is set out on pages 31 to 50 of the Company's 2014 Annual Report.

The Remuneration Report explains the Board's policies in relation to the objectives and structure of remuneration for the Company and discusses the relationship between the policies and the Company's performance. In addition the Remuneration Report sets out the remuneration arrangements for the Directors and Key Management Personnel.

The Chairperson will give shareholders a reasonable opportunity to ask questions about or comment on the Remuneration Report. The vote on this resolution is advisory only and does not bind the Directors or the Company.

Additionally, as a result of amendments to the Corporations Act known generally as the "two strikes rule", shareholders should note that the result of the vote on this resolution may affect next year's AGM. If 25% or more of the votes cast on this resolution are "against" the resolution at both the 2014 AGM and the 2015 AGM, then a further resolution on whether to hold a meeting to spill the Board would need to be considered at the 2015 AGM.

## **Recommendation**

The Board recommends that shareholders vote in favour of this resolution.

## Resolution 4: Grant of Performance Rights to the Managing Director

The remuneration arrangements for the Managing Director, Mr Kelaher, are set out in the Remuneration Report. Under the Australian Securities Exchange ("ASX") Listing Rules, the Company must seek shareholder approval to grant equity securities in the Company to Mr Kelaher. Accordingly, the Company is seeking shareholder approval to enable it to grant performance rights to Mr Kelaher under the Company's Executive Performance Rights Plan (Plan) and provide shares on exercise of those rights on the terms described below.

The Board has determined that, subject to shareholder approval, Mr Kelaher will be entitled to participate in the Long Term Incentive (LTI) program and receive 75,000 performance rights for the 2014/2015 financial year under the Plan.

### Performance rights

Subject to shareholder approval being obtained, it is intended that the 2014/2015 grant of performance rights to Mr Kelaher will be made within 14 days of this Meeting and in any event within 12 months after the Annual General Meeting.

Each performance right to be granted to Mr Kelaher will give Mr Kelaher the right to acquire one share in the Company subject to the performance right vesting on the satisfaction of two performance hurdles.

The performance hurdles will be measured over a three year performance period starting on 1 July 2014 and ending on 30 June 2017 (Performance Period).

The Board has determined that in order for any of the performance rights to be eligible to vest, the Company must first achieve a 'gateway test' that requires a minimum Return on Equity (ROE) of 1.5 times the Long Term Bond Rate (10 year bond yield).

That is, if less than 1.5 times Long Term Bond Rate is achieved, no performance rights are eligible to vest. If 1.5 to 2 times the Long Term Bond rate is achieved, then 50% of the performance rights are eligible to vest. If 2.0 to 2.5 times is met, then 75% of the performance rights are eligible to vest and 100% are only eligible to vest if 2.5 times (or above) the Long Term Bond rate is achieved.

Following that gateway test, if any performance rights are eligible to vest (being 50%, 75% or 100% of the performance rights), those performance rights will then be assessed against the second performance hurdle. This hurdle relates to the Company's total shareholder return (TSR) over a 3 year period from 1 July 2014 to 30 June 2017 that is measured against the TSR of a group of companies comprising the S&P ASX200 as at 1 July 2014.

Should the Company achieve a median TSR performance or better, the performance rights which are eligible to vest will progressively vest in accordance with the schedule as set out below:

Relative TSR performance	% of performance rights vesting
At or above 75th percentile	100%
At or above median	50%
Between median and 75th percentile	Progressive vesting on a straight line basis, such that 2% of LTI awards vest for each 1% ranking increase from 50th percentile
Below median	No performance rights will vest

Any performance rights that do not vest following assessment of the TSR performance hurdle will lapse and will not be retested.

If a performance right vests it will be exercised automatically and a share will be allocated to Mr Kelaher. No amount is payable upon the grant or vesting of the performance rights, or on the allocation of shares in the Company. The Board has the discretion to either purchase new shares on the market or to issue new shares when allocating shares to Mr Kelaher following the exercise of vested performance rights. Shares issued to Mr Kelaher will rank equally with all other ordinary shares on issue. Any dealing in shares resulting from performance rights that have been exercised will be subject to IOOF's Securities and Insider Trading Policy.

### Change of control and cessation of employment

If the Company is subject to a change of control, any unvested performance rights may vest subject to the approval of the Board.

Except where Mr Kelaher's employment is terminated for serious misconduct, subject to applicable law, any performance rights that have vested as at the date of termination will be exercised and Mr Kelaher will receive shares in the Company. On cessation of Mr Kelaher's employment, unvested performance rights will lapse (unless the Board determines otherwise, subject to applicable law).

### Other information required by the ASX Listing Rules

No loan has been or will be made to Mr Kelaher by the Company in relation to the performance rights. Since shareholder approval was last obtained (at the 2013 Annual General Meeting), Mr Kelaher has received 100,000 performance rights under the Plan. No other Director is eligible to participate in the Plan.

### Recommendation

Mr Kelaher, who has a personal interest in the subject of this resolution, has abstained from making a recommendation and will not vote on this resolution. The other Directors recommend that the shareholders vote in favour of Resolution 4.



## Resolution 5: Financial Assistance in connection with the acquisition of SFG

The purpose of resolution 5 is for shareholders to approve the giving of financial assistance by SFG and its subsidiaries (the "SFG Group") to the Company in respect of the acquisition of SFG. The resolution will be passed if at least 75% of the votes cast by shareholders entitled to vote on the resolution votes in favour of it.

This section sets out all information known to the Company that is material to the decision on how to vote on the resolution, other than information that would be unreasonable to require the Company to set out because the Company has previously disclosed that information to shareholders.

As required by section 260B(4) of the Corporations Act, shareholders are informed of the matters detailed below.

### Acquisition of SFG

On 6 August 2014, the Company announced the successful implementation of the scheme of arrangement under which the Company acquired the entire issued share capital of SFG (except ordinary shares already controlled by the Company) (the "Scheme"). Accordingly, the SFG Group is now 100% owned by the Company. Detailed information about the Scheme is set out in the SFG Scheme Booklet dated 27 June 2014 ("SFG Scheme Booklet").

### Banking facilities

The Company funded the acquisition of SFG through a new debt facility. The Company and CBA agreed to amend and restate the Original Facility Agreement to add a new cash advance term facility of up to \$100 million for the purposes of funding the acquisition of SFG ("Amended and Restated Facility Agreement"). Under the Amended and Restated Facility Agreement, the Company is required to ensure that SFG and each of its subsidiaries ("Acquired Subsidiaries") accede as additional guarantors.

The Company and the Acquired Subsidiaries may also enter into various documents in connection with the refinancing, replacement, renewal or variation of all or any part of the debt facilities referred to in the Amended and Restated Facility Agreement from time to time, whether by debt, equity, hybrid instrument or otherwise (including subsequent refinancings, replacements, renewals or variations thereafter) ("Refinanced Debt Facilities").

If the resolution is passed and the Acquired Subsidiaries accede as additional guarantors, the Acquired Subsidiaries will guarantee the obligations of the Company and each other guarantor under the Finance Documents (as defined in the Amended and Restated Facility Agreement), and also provide certain undertakings, representations and warranties consistent with a facility of this nature, including:

- a negative pledge;
- undertakings not to acquire or dispose of assets; and
- undertakings not to incur financial obligations,

in each case subject to agreed exceptions. The Acquired Subsidiaries may also be required to take some or all of the above actions in relation to the Refinanced Debt Facilities. All of the actions referred to in this paragraph are collectively the "Proposed Actions".

## Financial Assistance Prohibition

The Proposed Actions by each Acquired Subsidiary will constitute the giving of "financial assistance" in connection with the acquisition of shares under Part 2J.3 of the Corporations Act.

Section 260A(1) of the Corporations Act provides that a company may financially assist a person to acquire shares in it or its holding company only in certain limited circumstances, including where the assistance is approved by shareholders under section 260B of the Corporations Act.

Section 260B(1) of the Corporations Act requires that shareholder approval of the financial assistance be given by either:

- a special resolution of each Acquired Subsidiary, with no votes being cast in favour of the resolution by the person acquiring the shares or by their associates; or
- a resolution agreed to by all ordinary shareholders of each Acquired Subsidiary.

In addition, under section 260B(2) of the Corporations Act, as the Acquired Subsidiaries are, or will be, subsidiaries of a listed holding corporation, the Company, the financial assistance must also be approved by special resolution passed at a general meeting of the Company.

Accordingly, it is proposed that the Proposed Actions by each Acquired Subsidiary be approved by:

- a resolution passed by all ordinary shareholders at a general meeting of each Acquired Subsidiary in accordance with section 260B(1) of the Corporations Act; and
- a special resolution passed at a general meeting of the Company.

## Effect of the financial assistance

The major effect of the financial assistance (i.e. the Proposed Actions) on each Acquired Subsidiary is that it will guarantee all amounts payable under the Amended and Restated Facility Agreement and may guarantee amounts payable under the Refinanced Debt Facilities. The operations of the Acquired Subsidiaries will also become restricted by the representations and undertakings given in the Amended and Restated Facility Agreement (and potentially under the Refinanced Debt Facilities), which are similar to those which the Company and other companies in the IOOF group are already subject to.

## Reasons for giving the financial assistance

If the resolutions are not passed and the Acquired Subsidiaries do not accede as additional guarantors, a review event will occur under the Amended and Restated Facility Agreement. This would lead to a period of negotiation between the Company and CBA, one outcome of which could be CBA cancelling the Company's ability to draw down funds under the Amended and Restated Facility Agreement and declaring any funds drawn down previously as immediately due and payable. In addition, the Company may have to negotiate alternative financing and would expect to incur additional costs and transaction fees.

## Disadvantages of giving the financial assistance

If the financial assistance is provided by the Acquired Subsidiaries it is unlikely to have an adverse effect on the Company.

However, it should be noted that there are potential disadvantages and risks associated with each Acquired Subsidiary providing the financial assistance. In providing the financial assistance, each of the Acquired Subsidiaries becomes liable to pay CBA any amounts outstanding under the Amended and Restated Facility Agreement (and potentially under the Refinanced Debt Facilities) in the event that the Company defaults in its payment obligations. Nevertheless, in such a case, each of the Acquired Subsidiaries will maintain their right of contribution against the other guarantors and their right of subrogation against the Company and, accordingly, the giving of the financial assistance should not materially prejudice any Acquired Subsidiary, its shareholders or any Acquired Subsidiary's ability to pay its creditors.

## Directors' approval

The directors of each Acquired Subsidiary have unanimously agreed to approve the giving of financial assistance by each Acquired Subsidiary, subject to the approval of the Company's shareholders in accordance with section 260B(2) of the Corporations Act.

## Information not included

Under section 260B(4) of the Corporations Act, these Explanatory Notes do not contain information which would be unreasonable to provide because the information had previously been disclosed to shareholders.

Accordingly, these Explanatory Notes do not include:

- information relating to the financial position, performance or cash flows of the Company (which is disclosed on a consolidated basis in the annual financial report published by the Company); and
- detailed information relating to the acquisition of SFG (which is set out in the SFG Scheme Booklet).

## Prior notice to Australian Securities & Investments Commission ("ASIC")

Under section 260B(5) of the Corporations Act, a copy of the Notice of Annual General Meeting and these Explanatory Notes (as sent to the Company's shareholders) was lodged with ASIC before dispatch to the Company's shareholders.

## Recommendation

The Board recommends that shareholders vote in favour of the resolution.

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**IOOF Holdings Limited**  
ABN 49 100 103 722

#### All Correspondence to:

- By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- In Person** Boardroom Pty Limited  
Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia
- By Fax:** +61 2 9290 9655
- Online:** IOOF@boardroomlimited.com.au
- By Phone:** (within Australia) 1300 552 203  
(outside Australia) +61 2 8016 2893

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 9.30am (AEDT) on Sunday, 23 November 2014.**

### TO VOTE ONLINE

**STEP 1: VISIT** [www.votingonline.com.au/IOOFAGM2014](http://www.votingonline.com.au/IOOFAGM2014)

**STEP 2: Enter your Postcode (if within Australia) OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**

### BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

**PLEASE NOTE:** For security reasons, it is important you keep the above information confidential.

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

##### Indicate who you want to appoint as your Proxy

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form, being the number of shares that each of your proxies may exercise. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half of your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business in Step 2. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes in Step 2. Subject to the voting restrictions set out in the notice of meeting, if you do not mark any of the boxes on a given item, your proxy may vote or abstain as he or she chooses. If you mark more than one box on an item for all of your securities, your vote on that item will be invalid.

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** where the holding is in one name, that securityholder must sign.

**Joint Holding:** where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, if you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** in most instances, this form should be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. Where the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Your proxy form (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **9.30am (AEDT) on Sunday, 23 November 2014.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the enclosed Reply Paid Envelope or:

- Online** [www.votingonline.com.au/IOOFAGM2014](http://www.votingonline.com.au/IOOFAGM2014)
- By Fax** + 61 2 9290 9655
- By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- In Person** Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and insert your correct address in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **IOOF Holdings Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

**PLEASE NOTE** – Leave this box blank if you have selected the Chair of the Meeting

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the **Annual General Meeting of the Company to be held at the offices of Ord Minnett, Level 23, 120 Collins Street Melbourne, Victoria 3000 on Tuesday, 25 November 2014 at 9.30am (AEDT)** and at any adjournment of that meeting on my/our behalf, and to vote in accordance with the following directions or if no directions have been given (to the extent permitted by law) as the proxy sees fit.

**IMPORTANT – Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters:**

If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 3 and Resolution 4, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these resolutions even though each resolution is connected with the remuneration of a member of key management personnel for IOOF Holdings Limited.

If the Chair of the Meeting is your proxy (or becomes your proxy by default), you can direct the Chair to vote "For" or "Against" or "Abstain" from voting on each item of business by marking the appropriate boxes opposite each of the items of business in Step 2 below. The Chair intends to vote all undirected proxies in favour of all Items of business (including Resolution 3 and Resolution 4).

**STEP 2 VOTING DIRECTIONS**

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

	For	Against	Abstain*
Resolution 2(a) Re-election of Mr Ian Griffiths as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2(b) Re-election of Dr Roger Sexton as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2(c) Election of Mr Allan Griffiths as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Grant of Performance Rights to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Financial Assistance in connection with the acquisition of SFG Australia Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SHAREHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2014