



Q & A on APRA's announcement for IOOF clients

17 December 2018

1. Why has the Australian Prudential Regulation Authority (APRA) chosen to take action against IOOF?

APRA is arguing that IOOF operated under a conflicted structure and has identified five incidents that occurred over the last ten years where it believes IOOF may not have acted in superannuation members' best interests. They relate to issues occurring in 2015, no client funds are adversely impacted, and no orders are being sought against IOOF companies other than declarations.

It is important to note these issues raised by APRA are historical and were resolved at the time and all affected members were fully compensated.

IOOF is a large and complex organisation and errors and issues do unfortunately occur from time to time. We raised these matters with APRA and worked with specialist external third parties to fix them. We also sought appropriate legal advice and complied with all necessary regulations and laws.

At IOOF, we strive to quickly identify and resolve any errors to ensure that no members are negatively impacted. We do this because it is the right thing to do, even when legally we may not have to.

IOOF believes APRA's allegations are misconceived and will vigorously defend them.

2. Will the value of my funds be affected if I am invested in an IOOF product or service?

The action taken by APRA will not directly impact the value of your investment in an IOOF product or service. Across IOOF's superannuation business, our investments are managed by hundreds of different fund managers across global markets.

3. What has IOOF done to address these issues?

IOOF's Board of directors and senior executives have been working cooperatively with APRA to actively implement various agreed initiatives, some of which were outlined at IOOF's recent 2018 Annual General Meeting.

For further information, please refer to IOOF's ASX announcement dated 10 December 2018: (www.ioof.com.au/shareholders/asx-announcements/ioof-appoints-acting-chairman-and-acting-ceo)

4. What recent changes has IOOF made to its boards and executives?

On 10 December 2018, IOOF Managing Director, Christopher Kelaher and Chairman, George Venardos, agreed to step aside from their respective positions, pending resolution of proceedings brought by APRA and announced on 7 December 2018.

Subsequently, Renato Mota, previously General Manager - Wealth Management was appointed Acting Chief Executive Officer for IOOF and Allan Griffiths, a current non-executive director of IFL, was appointed Acting Chairman for IOOF.

The other three executives named in APRA's announcement remain in their positions, however they have no responsibilities in relation to the management of the superannuation trustee companies involved.

Importantly, prior to APRA's announcement, several independent directors had been appointed to the trustee boards to ensure a majority of independent directors on each trustee board.

5. What is Renato's experience/background?

Renato Mota was previously Group General Manager, Wealth Management, IOOF. Renato has over 18 years' experience in financial services with a focus on senior management and corporate strategy. He is responsible for the overall delivery of value to the group's various client segments across advice and services. He joined IOOF in 2003 and has previously worked for Rothschild, NAB and ANZ, and is a CFA charter holder.

6. What is Allan's experience/background?

Allan Griffiths has more than 30 years' experience with a deep understanding of the financial services industry. Allan has held several executive positions within the industry most notably as Chief Executive Officer Aviva Australia and later, Managing Director South East Asia, Aviva Asia Pty Ltd based in Singapore. Prior to joining Aviva, he held executive positions with Colonial Ltd and Commonwealth Bank of Australia.

7. Where can I find more information on the current directors of IOOF Investment Management Limited (IIML) and Australian Executor Trustees Limited (AET)?

For further information, including biographies of the board of directors, please refer to the IOOF website (www.ioof.com.au) and AET website (www.aetlimited.com.au).

8. Does IOOF act in the best interests of its clients?

Yes. IOOF takes its responsibilities to clients and members seriously and they are at the heart of IOOF's purpose. As a listed company on the ASX, IOOF welcomes any changes to processes that help improve the lives of their clients.

9. Who can I contact if I have any questions?

For more information, please contact your [Workplace Solutions Manager](#). Alternatively, please call our Client Services Team on 1800 333 500.