

Directors

Ian Blair

OAM, MMgt, FCA.

Chairman – Independent Non-Executive Director

Ian has been a Non-Executive Director of IOOF Holdings Ltd since 2002 and Chairman since 2005. He was a Non-Executive Director of IOOF Ltd from 2000 to 2002.

He has extensive experience with accounting firm Deloitte Touche Tohmatsu, including five years as CEO of the firm. Ian is active in local government and community organisations and received an Order of Australia Medal in 1987 for services to the community.

Other current directorships

- SAS Trustee Corporation (NSW State Superannuation Fund) (director since 1998)
- Capral Aluminium Ltd. (director since 2006)
- Bisley & Company Pty Ltd (Chairman since 1 January 2008)

Special responsibilities

- Chairman of the Remuneration Committee



Ian Blair

Christopher Kelaher

B.Ec, LL.B, F Fin.

Managing Director

Chris was appointed as IOOF Holdings Ltd's Managing Director on 30 April 2009, following the merger of IOOF Holdings Ltd and Australian Wealth Management Limited.

He served as managing director of Australian Wealth Management Limited's principal operating businesses since 1997 and has more than 20 years investment management and business development experience.

During his time at Citicorp, Chris was responsible for business management, strategic marketing and sales growth in Australia, and performed an important role in the establishment of Citicorp Investment Management/Global Asset management in Australia and establishing its New Zealand business.

Other current directorships

- DKN Financial Group Ltd (director since 2004)

Former directorships in last three years

- Australian Wealth Management Limited (managing director from 2006 to 2009)
- Select Managed Funds (managing director from 1997 to 2006)



Christopher Kelaher

Dr Roger Sexton

B.Ec. (Hons), M.Ec. Ph.D (Econ), FAICD, FAIM, FFin, C. P Mgr, C.Univ

Deputy Chairman – Independent Non-Executive Director

Dr Sexton has been a Non-Executive Director of IOOF since 2002. He has over twenty years experience in senior management and is a specialist in the areas of corporate reconstruction, mergers and acquisitions, and privatisations.

Other current directorships

- Chairman of Beston Pacific Asset Management Pty Ltd (director since 2003)
- Chairman of KeyInvest Limited (director since 2007)
- Chairman Thomas Bryson International Limited (director since 2008)
- IBIS World Pty Ltd (director since 1989)
- TWT Limited (director since 2008)

Special responsibilities

- Member of the Remuneration Committee
- Member of the Audit Committee



Dr Roger Sexton

Ian Griffiths

C.Acc, DipAll, MIIA.

Executive Director

Ian was appointed as a Director on 30 April 2009, following the merger of IOOF Holdings Ltd and Australian Wealth Management Limited.

He was appointed as an executive director of Australian Wealth Management Limited on 29 May 2006, having previously served as executive director of Select Managed Funds Limited since 1989. Ian has more than 30 years experience in the financial and superannuation industries.

He joined Select Managed Funds Limited after a career in superannuation administration and consulting commencing with AMP in 1972. His industry knowledge and skills, particularly in operations and mergers and acquisitions, has been central to the growth of Australian Wealth Management Limited.

Former directorships in last three years

- Australian Wealth Management Limited (director from 2006 to 2009)
- Select Managed Funds (director from 1989 to 2006)
- Tasmanian Perpetual Trustees Ltd (director from 2002 to 2006)

Special responsibilities

- Member of Audit Committee from May 2009
- Member of the Remuneration Committee from May 2009



Ian Griffiths

Directors continued

Jane Harvey

B.Com, MBA, FCA, FAICD.

Independent Non-Executive Director

Jane has been a Non-Executive Director of IOOF since 2005. She was Partner of PricewaterhouseCoopers from 1996 to 2002 and has extensive business, finance and general management skills in a range of line management and consulting roles across many industry sectors.

Other current directorships

- Royal Flying Doctor Service (Nat and Vic) (director since 2002)
- Telecommunications Industry Ombudsman (director since 2002)
- Colonial Foundation Trust (director since 2007)
- Medibank Private Limited (director since 2007)

Former directorships in last three years

- Boom Logistics Limited (director from 2005 to 2009)

Special responsibilities

- Chairman of Audit Committee
- Member of Risk and Compliance Committee



Jane Harvey

James Pfeiffer

BA, LLB.

Independent Non-Executive Director

James has been a Non-Executive Director of IOOF since 2005. He is a solicitor and a consultant to Freehills. He was a Partner of Freehills for 25 years, practising in the areas of corporate/commercial law.

James has experience in both corporate governance and risk management and is active in several other community organisations.

Other current directorships

- Chairman of Wesley Mission Melbourne Ltd (director since 2001)
- Director of Haileybury Ltd (director since 1982)

Former directorships in last three years

- Director of Peter MacCallum Cancer Institute

Special responsibilities

- Member of Audit Committee
- Member of Risk and Compliance Committee



James Pfeiffer

George Venardos

BComm, FCA, FCIS, FAICD, FTIA.

Independent Non-Executive Director

George was appointed as a Director on 30 April 2009, following the merger of IOOF Holdings Ltd and Australian Wealth Management Limited.

He was appointed to the board of Australian Wealth Management Limited in January 2008 as a non-executive director.

George has more than thirty years experience in financial services with senior executive experience in finance, IT, funds management, reinsurance and corporate services. His former roles include that of Group Chief Financial Officer of Insurance Australia Group Ltd (from 1998 to 2008), Chairman Finance and Accounting Committee of The Insurance Council of Australia (from 1998 to 2008) and Group Director of Finance for Legal and General Australia (from 1986 to 1998).



George Venardos

Other current directorships

- Guild Group Holdings Ltd
- Bluglass Ltd
- Sunnyfield Association Ltd

Former directorships in last three years

- Director of Australian Wealth Management Limited (from 2008 to April 2009)
- Director of IAG Finance (New Zealand) Ltd (from 2004 to 2008)

Special responsibilities

- Chairman of Risk and Compliance Committee from May 2009
- Member of Remuneration Committee from May 2009

Directors' report

Your directors present their report on the consolidated entity ('the Group') consisting of IOOF Holdings Ltd ('the Company') and the entities it controlled at the end of, or during the year ended 30 June 2009 and the auditors report thereon.

Directors

The following persons were directors of the Company during the whole financial year and up to the date of this report:

Mr I Blair

Ms J Harvey

Mr J Pfeiffer

Dr R Sexton

The following were directors from 30 April 2009 up to the date of this report:

Mr I Griffiths

Mr C Kelaher

Mr G Venardos

The following were directors from the beginning of the financial year until their resignation on 30 April 2009:

Mr R Harper

Mr A Hodges

Mr A Robinson

Ms K Spargo

Principal activities

The principal continuing activities of the Group during the year consisted of:

- offering a range of financial products and portfolio administration services including investments, superannuation, immediate and deferred annuities, and investment trusts; and
- providing financial planning and advisory services.

The following significant activities were added to the Group during the year, resulting from the acquisition of the Australian Wealth Management Limited group of companies:

- stockbroking;
- estate planning and administration; and
- trustee services.

Dividends

Dividends paid to members of the Company during the financial year were as follows:

	2009 \$'000	2008 \$'000
Final dividend for the year ended 30 June 2008 of 15 cents (2007 – 18 cents) per ordinary share fully franked at 30% tax rate, paid 9 October 2008.	10,350	12,413
Interim dividend for the year ended 30 June 2009 of nil cents (2008 – 15 cents) per ordinary share fully franked at 30% tax rate.	–	10,350

On 7 July 2009, the Directors declared a special dividend of 13 cents (2008 – nil cents) per ordinary share fully franked at 30% tax rate, paid 31 July 2009. The total special dividend payment amounted to \$29,877,000. The financial effect of this special dividend has not been brought to account for the year ended 30 June 2009. It will be reflected within the subsequent financial year.

In addition to the above dividends and since the end of the financial year the directors have recommended the payment of a final dividend of 4 cents per ordinary share franked to 100% based on tax paid at 30%, to be paid in October 2009.

Consolidated results – review of operations

The consolidated net profit for the period attributable to members of IOOF Holdings Ltd, comprising the Company as the parent entity and controlled entities, ('IOOF Group') was \$15,847,000 (30 June 2008 : \$23,340,000).

The controlled entities include the benefit funds of IOOF Ltd, a subsidiary of IOOF Holdings Ltd. The inclusion of the benefit funds has no impact on the net profit for the period attributable to members of IOOF Holdings Ltd. The change in revenue from ordinary activities was attributable to lower distributions from underlying benefit fund investments which were precipitated by a decrease in benefit fund gains. Revenue from shareholder activities, excludes benefit fund revenues, increased by 2.6% on the previous corresponding period. This was largely due to additional revenues from acquired entities. This is discussed in further detail below.

During the year to 30 June 2009, the Group was party to two material acquisitions. The Australian operations of the Old Mutual Group, operating under the brands Skandia and Intech and renamed IOOF Global One ('Global One'), were acquired on 6 March 2009. In addition, the acquisition of Australian Wealth Management Limited ('AWM') was executed by a scheme of arrangement approved by AWM shareholders at a meeting held 22 April 2009. The Supreme Court of Victoria approved the scheme on 29 April 2009 giving it legal effect on 30 April 2009.

The consolidated net profit after tax for the year has been impacted by the acquisition of additional operating entities, inclusion of several revaluation adjustments, the recognition of available-for-sale impairment loss, the recognition of unrealised losses on other financial assets held at fair value through profit or loss, a reduction in the share of associates profits and corporate restructuring costs implemented during the year. Many of these items are detailed below.

The Group's Funds Under Management, Administration and Supervision ('FUMAS') closed at \$94.6 billion at 30 June 2009 up from \$29.4 billion at 30 June 2008. This significant movement was largely driven by the inclusion of funds acquired from the Old Mutual Group and the Australian Wealth Management Limited Group. A FUMAS of \$94.6 billion represents no change when 30 June 2008 funds from these acquired entities are added to the Group's balance for comparative purposes. On this more directly comparable basis, positive net inflows were offset by adverse market movements.

The share of equity profits recognised by the IOOF Group decreased by 31.1% compared to last year largely due to a decline in profitability experienced by Perennial Value Management Limited, the results of which are equity accounted.

During the period, revaluation adjustments were made in respect of commitments contained in shareholder agreements with executives of Perennial subsidiaries. A liability exists under AASB 132 in relation to the IOOF Group's commitment to provide liquidity, under certain circumstances, in the vested shares held by the minority interests in two Perennial subsidiaries (Perennial Fixed Interest Partners Pty Ltd and Perennial Growth Management Pty Ltd). Accordingly, IOOF has derecognised the minority interest in these companies. At balance date, and as additional shares vest, IOOF is required to recognise movements in this liability. This liability has reduced based on a 30 June 2009 valuation of the underlying subsidiaries, resulting in a net revaluation increase of \$6,803,000 (2008: \$5,455,000 revaluation decrease and associated goodwill impairment).

The acquisition of Global One and AWM resulted in a number of redundancies, accelerated vesting of share based payments for departing executives, rationalisation of business systems and processes, surplus leased office space and superfluous office equipment. The incurring of these restructuring costs results in a charge of \$14,061,000 to the Income Statement.

The acquisition of Global One carried with it an investment in the Intech group. Intech was disposed of on 30 June 2009 with no material impact on the Group's Income Statement.

The Group revised the carrying value of its investment in MacarthurCook Limited to comply with the impairment provisions of AASB 139. This resulted in an impairment charge to the Income Statement of \$3,485,000.

Directors' report (cont'd)

In order to disclose the tax expense separately, the profit before tax of \$25,862,000 includes an amount equal to the tax benefit of the benefit funds of \$5,297,000. This treatment results in disclosure of an effective tax benefit rate of 34.5% (30 June 2008: tax expense 45.1%). The actual tax rate, if the benefit funds are excluded is 18.3% (30 June 2008: 20.5%). The fall in tax rate is a result of various non-assessable items including expenses associated with debt forgiveness costs which eliminate within the Group.

In November 2008, the Company cancelled the on-market share buy-back program announced in February 2008. No shares had been purchased under this program.

Significant change in state of affairs

The following significant changes in the IOOF Group's state of affairs occurred during the year. They are referred to in the financial statements or accompanying notes attached to the financial statements.

In November 2008, the Company cancelled the on-market share buy-back program announced in February 2008. No shares had been purchased under this program.

On 6 March 2009, the Company acquired all the shares of IOOF Global One Limited (formerly Old Mutual Australia Limited) and IOOF Transition 2 Pty Ltd (formerly Old Mutual Australia Holdings Pty Ltd), comprising the former Skandia and Intech businesses operating in Australia.

On 30 April 2009, the Company acquired all the shares of Australian Wealth Management Limited through a scheme of arrangement effected by the issue of one IOOF Holdings Ltd share for every 3.73 shares held in Australian Wealth Management Limited. The merging of these companies creates a leading financial services company, spanning the entire wealth management value chain, with an enhanced distribution network of over 580 aligned financial advisers nationwide.

On 30 June 2009, the Company sold its interest in Intech Pty Ltd from IOOF Transition 2 Pty Ltd (formerly Old Mutual Australia Holdings Pty Ltd), to Morningstar Australasia Limited. This sale comprised the former Intech business acquired in March 2009.

Events occurring after balance sheet date

On 7 July 2009, the Directors declared the payment of a special dividend for 13 cents (2008 – nil cents) per ordinary share fully franked at the rate 30%, payable 31 July 2009. The total special dividend payment amounted to \$29,877,000.

In addition to the above dividend, the directors have recommended the payment of a final dividend of 4 cents per ordinary share franked to 100% based on tax paid at 30%, to be paid in October 2009.

On 10 July 2009, IOOF Holdings Limited received \$1,483,500 as consideration for the sale of its investment interest in MacArthurCook ('MCK'). This sale followed the off-market take over offer by AIMS Securities Holdings Pty Ltd for the ordinary shares of MCK.

The Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, or the accompanying financial statements and notes thereto, that has arisen since 30 June 2009 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years;
- (b) the results of those operations in future financial years; or
- (c) the Group's state of affairs in future financial years.

Matters subsequent to balance date are set out in Note 46 to the Financial Statements.

Future developments

The Directors are continuing to examine growth strategies to maximise shareholder wealth.

The Directors believe, on reasonable grounds, that to include in this report particular information regarding likely developments to the IOOF Group and the expected results of those operations in subsequent financial years would be likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been included in this report.

Environmental regulation

The IOOF Group is not subject to significant environmental regulation.

Information on directors

Mr I Blair .OAM, MMgt, FCA.

Chairman – Non-Executive Director. Age 62.

Experience and expertise

- Non-Executive Director of IOOF Holdings Ltd since 2002.
- Extensive experience with accounting firm Deloitte Touche Tohmatsu, including five years as CEO of the firm. Active in local government and community organisations and received an Order of Australia Medal in 1987 for services to the community.

Other current directorships

- SAS Trustee Corporation (NSW State Superannuation Fund) (director since 1998).
- Capral Aluminium Ltd (director since 2006).
- Bisley & Company Pty Ltd (Chairman since 1 January 2008).

Special responsibilities

- Group Chairman of IOOF Holdings Ltd since 2005.
- Member of the Remuneration Committee.

Shares in IOOF Holdings Ltd

- 16,372 ordinary shares held directly.
- 8,843 ordinary shares held indirectly.

Dr R Sexton B.Ec. (Hons), M.Ec. Ph.D (Econ), FAICD, FAIM. FFin, C. P Mgr, C.Univ

Deputy Chairman – Non-Executive Director. Age 59.

Experience and expertise

- Non-Executive Director of IOOF Holdings Ltd since 2002.
- Over twenty years experience in senior management in finance and the investment banking industry and a specialist in the areas of corporate reconstruction, mergers and acquisitions, and privatisations.

Other current directorships

- Chairman of Beston Pacific Asset Management Pty Ltd (director since 2003).
- Chairman of KeyInvest Limited (director since 2007).
- Chairman Thomas Bryson International Limited (director since 2008).
- IBIS World Pty Ltd (director since 1989).
- TWT Limited (director since 2008)

Special responsibilities

- Deputy Chairman of IOOF Holdings Ltd.
- Member of the Remuneration Committee.
- Member of the Audit Committee.

Shares in IOOF Holdings Ltd

- 12,313 ordinary shares held directly.
- 12,526 ordinary shares held indirectly.

Mr I Griffiths C.Acc, DipAll, MIIA.

Executive Director. Age 55.

Experience and expertise

- Non-Executive Director of IOOF Holdings Ltd since April 2009.
- More than 30 years experience in the financial and superannuation industries. A superannuation administration and business consulting career commencing with AMP in 1972. His industry knowledge and skills, particularly in operations and in mergers and acquisitions, was central to the growth of the Australian Wealth Management Limited group.

Former directorships in last three years

- Australian Wealth Management Limited (director from 2006 to 2009).
- Select Managed Funds (director from 1989 to 2006).
- Tasmanian Perpetual Trustees Ltd (director from 2002 to 2006).

Special responsibilities

- Member of Audit Committee from May 2009.
- Member of the Remuneration Committee from May 2009.

Directors' report (cont'd)

Shares in IOOF Holdings Ltd

- 3,387,519 ordinary shares held directly.
- 1,032,026 ordinary shares held indirectly.

Ms J Harvey B.Com, MBA, FCA, FAICD.

Independent Non-Executive Director. Age 54.

Experience and expertise

- Non-Executive Director of IOOF Holdings Ltd since 2005.
- Former partner of PricewaterhouseCoopers from 1996 to 2002. Extensive business, finance and general management skills in a range of line management and consulting roles across many industry sectors.

Other current directorships

- Royal Flying Doctor Service (Nat and Vic) (director since 2002).
- Telecommunications Industry Ombudsman (director since 2002).
- Colonial Foundation Trust (director since 2007).
- Medibank Private Limited (director since 2007).

Former directorships in last three years

- Boom Logistics Limited (director from 2005 to 2009).

Special responsibilities

- Chairman of Audit Committee.
- Member of Risk and Compliance Committee.

Shares in IOOF Holdings Ltd

- 6,385 ordinary shares held indirectly.

Mr C Kelaher B.Ec, LL.B, F Fin.

Managing Director. Age 54.

Experience and expertise

- Executive Director of IOOF Holdings Ltd.
- More than 20 years experience in investment management and business development. During his time at Citicorp, Chris was responsible for business management, strategic marketing and sales growth in Australia, and performed an important role in the establishment of Citicorp Investment Management/ Global Asset management in Australia and establishing its New Zealand business.

Other current directorships

- DKN Financial Group Ltd (director since 2004).

Former directorships in last three years

- Australian Wealth Management Limited (managing director from 2006 to 2009).
- Select Managed Funds (managing director from 1997 to 2006).

Special responsibilities

- Managing Director of the IOOF Group from 30 April 2009.

Shares in IOOF Holdings Ltd

- 4,916,415 ordinary shares held indirectly.
- 468,634 Options.

Mr J Pfeiffer BA, LLB.

Independent Non-Executive Director. Age 62.

Experience and expertise

- Non-Executive Director of IOOF Holdings Ltd since 2005.
- Experience in both corporate governance and risk management. Former Partner of Freehills for 25 years practising in the areas of corporate/commercial law.

Other current directorships

- Chairman of Wesley Mission Melbourne Ltd (director since 2001).
- Director of Haileybury Ltd (director from 1982 to 2009).

Former directorships in last three years

- Director of Peter MacCallum Cancer Institute.

Special responsibilities

- Member of Audit Committee.
- Member of Risk and Compliance Committee.

Shares in IOOF Holdings Ltd

- 19,483 ordinary shares held indirectly.

Mr G Venardos BComm, FCA, FCIS, FAICD, FTIA.

Independent Non-Executive Director. Age 51.

Experience and expertise

- Non-Executive Director of IOOF Holdings Ltd since April 2009.
- More than thirty years experience in financial services with senior executive experience in finance, IT, funds management, reinsurance and corporate services. His former roles include that of Group Chief Financial Officer of Insurance Australia Group Ltd (from 1998 to 2008), Chairman Finance and Accounting Committee of The Insurance Council of Australia (from 1998 to 2008) and Group Director of Finance of Legal and General Australia (from 1986 to 1998).

Other current directorships

- Guild Group Holdings Ltd.
- Bluglass Ltd.
- Sunnyfield Association Ltd.

Former directorships in last three years

- Director of Australian Wealth Management Limited (from 2008 to April 2009).
- Director of IAG Finance (New Zealand) Ltd (from 2004 to 2008).

Special responsibilities

- Chairman of Risk and Compliance Committee from May 2009.
- Member of Remuneration Committee from May 2009.

Shares in IOOF Holdings Ltd

- 15,013 ordinary shares held directly.

Company secretaries

Ms Danielle Corcoran was appointed to the position of company secretary from 14 May 2009. Ms Corcoran previously held the position of company secretary of Australian Wealth Management Limited prior to its merger with IOOF, and prior to that she held similar positions with other listed companies. Ms Corcoran is also Head of Human Resources for the Group.

Ms Adrianna Bisogni was Company Secretary from June 2007 until 8 May 2009.

Mr Bill Linehan was Company Secretary from September 2007 until 5 June 2009.

Directors' report (cont'd)

Directors' meetings

The number of Directors' meetings (including Board sub-committee meetings) and the number of meetings attended by each director during the financial year were:

Director	Directors Meetings		Committee Meetings						Subsidiary Meetings
	Meetings held	Meetings attended	Remuneration and Nominations Committee ⁽¹⁾		Audit and Risk Committee ⁽²⁾		Risk and Compliance Committee ⁽³⁾		Meetings attended by directors
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(c)
I Blair	18	17	1	1	–	–	–	–	18
R Sexton	18	17	4	2	–	–	–	–	7
I Griffiths	2	2	1	1	–	–	–	–	3
J Harvey	18	18	3	3	6	6	1	1	27
C Kelaher	2	2	–	–	–	–	–	–	4
J Pfeiffer	18	15	–	–	6	4	1	1	21
G Venardos	2	2	1	1	–	–	1	1	3
Directors who departed during or since the end of the financial year:									
A Hodges ⁽⁴⁾	16	15	–	–	–	–	–	–	27
R Harper	16	16	–	–	6	3	–	–	–
A Robinson	16	16	–	–	–	–	–	–	28
K Spargo	16	14	3	3	–	–	–	–	2

(a) the number of meetings held during the time the director held office or was a member of the committee.

(b) the number of meetings attended.

(c) the number of regular Board meetings of subsidiary entities attended during the time the director held office.

– not a member of the relevant committee.

(1) The Remuneration and Nomination Committee was reconstituted as the Remuneration Committee, effective May 2009, with the appointed members being R Sexton, I Blair, I Griffiths and G Venardos. While the former Remuneration and Nomination Committee held three committee meetings during the period, the reconstituted Remuneration Committee held one meeting during the financial year.

(2) The Audit and Risk Committee was reconstituted as the Audit Committee, effective May 2009, with the appointed members being J Harvey, J Pfeiffer, I Griffiths and R Sexton. While the former Audit and Risk Committee held six committee meetings during the period, the reconstituted Audit Committee did not meet during the financial year.

(3) The Governance Committee was reconstituted as the Risk and Compliance Committee, effective May 2009 with the appointed members being J Harvey, J Pfeiffer and G Venardos. While the former Governance Committee did not meet, the reconstituted Risk and Compliance Committee met once during the financial year.

(4) As a result of IOOF Holdings Ltd merging with Australian Wealth Management Ltd, Mr Hodges resigned as an Executive Director. Mr Hodges continues to be employed by the group.

Note that in addition to the above regular scheduled meetings, a number of additional meetings were held during the year to address special Board issues.

These were attended by all, or the majority of, the Directors but did not constitute a full Board meeting and as such is excluded from the above table. Mr Blair also attended four Audit and Risk Committee meetings as an invited attendee, but not as an appointed member of that committee.

Indemnification and insurance

Rule 84 of the IOOF Holdings Ltd Constitution requires the Company to indemnify to the extent permitted by law, each director and secretary against liability incurred in, or arising out of the conduct of the business of the Company or the discharge of the duties of the director or secretary. The directors and secretaries named in this Directors Report have the benefit of this requirement, as do individuals who formerly held one of those positions.

In accordance with this requirement the Company has entered into Deeds of Access, Indemnity and Insurance (Deeds of Indemnity) with each Director. During the financial year, the IOOF Group paid insurance premiums to insure against amounts that the IOOF Group may be liable to pay the directors, and secretaries pursuant to Rule 84. The insurance policy also insures the directors and secretaries of the Company and its controlled entities, and the general officers of each of the companies in the Group. Details of the amount of the premium paid in respect of the insurance contract have not been disclosed as such disclosure is prohibited under the terms of the contract.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage to themselves or someone else or to cause detriment to the Company.

Proceedings on behalf of the company

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Remuneration report

The purpose of the remuneration report is to set out the remuneration arrangements for Directors, other Key Management Personnel, and named senior executives of the IOOF Group in accordance with AASB 124: *Related Party Disclosures* and section 300A of the *Corporations Act 2001*.

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001* unless otherwise stated.

Structure of this report

IOOF's 2009 remuneration report is divided into the following sections:

- A. Key Management Personnel and Named Senior Executives
- B. Impact of merger on remuneration arrangements and disclosures
- C. Remuneration policies

- D. Executive remuneration arrangements, including Managing Director remuneration
- E. Terms of appointment
- F. Remuneration of Executive Directors and Named Senior Executives for the year ended 30 June 2009
- G. Non-Executive Directors' remuneration

Part A. Key Management Personnel and Named Senior Executives

For the purposes of this report:

- the Key Management Personnel ('KMP') of the IOOF Group are the Directors (both Executive and Non-Executive) and those senior executives reporting to the Managing Director who have authority and responsibility for planning, directing and controlling the activities of the Group set out in the table below.
- 'Senior Executives' are those KMP who are not Directors (both Executive and Non-Executive) and the named senior executives outlined in the table below.

Name	Position
Non-Executive Directors	
Mr Ian Blair	Chairman, IOOF
Ms Jane Harvey	Non-Executive Director, IOOF
Mr James Pfeiffer	Non-Executive Director, IOOF
Dr Roger Sexton	Non-Executive Director, IOOF
Mr George Vernardos	Non-Executive Director (Australian Wealth Management Group to 29 April 2009, IOOF Group from 30 April 2009)
Executive Directors	
Mr Ian Griffiths	Executive Director (Australian Wealth Management Group to 29 April 2009, IOOF from 30 April 2009). Mr Griffiths commences as Non-Executive Director for IOOF from 1 July 2009
Mr Christopher Kelaher	Managing Director (Australian Wealth Management Group to 29 April 2009, IOOF Group from 30 April 2009)
Other Senior Executives	
Mr Stuart Abley	Head of Consultum Financial Advisers
Mr Anthony Hodges	Chief Investment Officer
Mr Renato Mota	General Manager – Investor Solutions
Mr Anthony Patterson	Managing Director – Perennial Investment Partners Limited
Mr David Coulter	Acting Chief Financial Officer from 29 May 2009

Name	Position
Key Management Personnel who joined the group upon the merger with the Australian Wealth Management group, effective 30 April 2009:	
Mr Michael Carter	Head of Wealth Management Division
Mr Jake Jodlowski	General Manager Investments
Mr Andrew McLachlan	CEO Private Client
Key Management Personnel who ceased being a KMP or departed during or since the end of the financial year:	
Mr Antony Robinson	Managing Director, IOOF Group to 30 April 2009
Mr Roderick Harper	Non-Executive Director, IOOF
Ms Kate Spargo	Non-Executive Director, IOOF
Mr John Billington	General Manager – Portfolio Solutions to 3 July 2009
Mr Mark Blackburn	Chief Financial Officer to 8 May 2009
Mr Michael Crivelli (KMP to 30 April 2009)	Executive Chairman – Perennial Investment Partners Limited

For the purpose of this report, the named senior executives of the IOOF Group and IOOF Holdings Ltd, in accordance with section 300A(1)(c) of the *Corporations Act 2001*, are:

Named Senior Executives who departed during or since the end of the financial year:	
Ms Adrianna Bisogni	General Counsel to 8 May 2009
Mr Malcolm Coe	Head of Compliance to 12 June 2009
Mr Bill Linehan	Company Secretary to 5 June 2009
Mr Peter Wallbridge	General Manager Human Resources to 29 May 2009
Mr Gavin Wood	Head of Risk to 12 June 2009

Part B. Impact of merger on remuneration arrangement and disclosures

On 29 April 2009, the Supreme Court of Victoria approved the scheme of arrangement to effect the merger between IOOF Holdings Limited ('IOOF') and Australian Wealth Management Limited ('AWM'). This remuneration report for the year ended 30 June 2009 therefore incorporates disclosures for individuals employed in both organisations during the year.

The remuneration policies and practices of IOOF and AWM differed (to varying degrees) in a number of respects. Discussion and explanation of the remuneration policy, practices and arrangements as they apply to individuals disclosed in this report and previously employed by AWM has therefore also been provided.

Since completion of the merger, the IOOF Board has established a new Remuneration Committee. During the financial year ended 30 June 2009, the Remuneration Committee established a broad framework for the remuneration of the Managing Director (see Part D.5). Since 1 July 2009, the Remuneration Committee has begun the process of reviewing:

- its Terms of Reference; and
- remuneration arrangements of both organisations applying to Executive Directors and Senior Executives (hereafter defined as 'executive remuneration')

with a view to determining the most appropriate approach for IOOF for the financial year ending 30 June 2010.

Remuneration report (cont'd)

While the majority of disclosures within this remuneration report relate to two distinct organisations, the Remuneration Committee wishes to provide information regarding its approach for the current and future financial years (to the extent that decisions have been taken). In particular, the IOOF executive remuneration policy for the financial year ending 30 June 2010 will:

- support and adopt the Australian Prudential Regulation Authority's ('APRA') revised prudential standard covering executive remuneration arrangements ('Prudential Standard LS510: Governance'), once finalised;
- be informed by corporate governance developments and shareholder sentiment;
- utilise structures and practices which are appropriate given anticipated changes in legislation (such as taxation treatment of share-based payments and termination benefits); and
- focus on driving and rewarding performance which is appropriate for IOOF's business and aligned to its strategy for the coming years.

Given the sometimes different approaches adopted by IOOF and AWM prior to the merger, it is anticipated that a certain degree of transition and, in some circumstances, grandfathering of components of executive remuneration arrangements, reward opportunity or contractual terms may be appropriate.

Part C. Remuneration policies

C.1 Role of the Remuneration Committee

The role of the Remuneration Committee is to ensure a coherent reward framework is in place. This framework considers the adequacy of remuneration policy and practices and includes (but is not limited to), determination of Executive Director and Senior Executive remuneration increases and arrangements; remuneration policy and structures applicable to Non-Executive Directors; ensuring that succession planning and development plans are in place for Senior Executives; on-going review and monitoring of short-term and long-term incentive schemes; assessment of Executive Directors' performance against company performance; industrial agreements and the overall compensation arrangements of the Group.

This role was fulfilled by the Remuneration and Nominations Committee at IOOF to 30 April 2009 and by the Group Remuneration and Appointments Committee at AWM to 30 April 2009 and by the Remuneration Committee of the combined entity from 30 April onwards.

More detailed information about the Remuneration Committee is available in the Corporate Governance section of this Annual Report.

C.2 Remuneration policy objectives

The remuneration policies of IOOF and AWM to 30 April 2009, as well as the combined entity, are broadly similar for KMP and other Senior Executives. The common objective of these policies is to attract and retain high calibre talent and to provide both 'fixed' and 'at risk' remuneration arrangements that take into consideration market benchmarks and the pay environment, under the direction of each Company's Remuneration Committee (or equivalent).

The Board (of both IOOF and AWM up to 30 April 2009 and of the combined entity from 30 April 2009) engages external and independent remuneration consultants from time to time to perform reviews and benchmarking exercises to assess remuneration levels paid to Directors (both Executive and Non-Executive) and Senior Executives to ensure that the company remains competitive with relevant competitors in the financial services sector, and the broader spectrum of public companies of similar size, revenue and profitability. Remuneration policies and arrangements are also reviewed and, where appropriate, updated to reflect relevant changes in legislation and regulation.

Part D. Executive remuneration arrangements, including Managing Directors remuneration

The executive remuneration arrangements which applied to the Executive Directors and Senior Executives of both IOOF and AWM during the financial year to 30 June 2009 are summarised below. The executive remuneration arrangements which will apply to Executive Directors and Senior Executives of IOOF for the financial year to 30 June 2010 have also been outlined, to the extent that decisions have been taken.

D.1 Executive remuneration summary

Component	Legacy IOOF to 30 June 2009	Legacy AWM to 30 June 2009	IOOF current and future (unaudited)
Total Fixed Remuneration	<p>Included a combination of base salary, superannuation and other fringe benefits the individual could choose to salary sacrifice (eg superannuation, motor vehicle).</p> <p>Policy was to position fixed remuneration between the median and the 62nd percentile of market benchmark data.</p>	<p>Included salary and statutory superannuation contributions and could include cash or non-cash benefits, such as additional superannuation or motor vehicles.</p> <p>Fixed remuneration was set based on what was appropriate to the position, taking into consideration expertise, accountability, knowledge, experience, job environment, independence and was competitive in the market.</p>	<p>Fixed remuneration will be set at a competitive level against relevant market benchmarks, on the expectation of good performance.</p> <p>A positioning policy is yet to be finalised.</p>
Short Term Incentive ('STI') opportunity	<p>The STI was a cash-based incentive forming part of the Executive's Total Incentive Compensation opportunity, the value of which was tied to the successful achievement of a set of performance scorecard objectives (including financial and strategic objectives) for the annual performance period.</p> <p>For Senior Executives, the STI opportunity was scaled in a range between 25% and 50% of fixed remuneration.</p>	<p>The STI was a cash incentive payment based on pre-determined individual and company performance criteria.</p> <p>For Senior Executives, the STI opportunity was up to 50% of fixed remuneration.</p>	<p>The STI will comprise a cash payment, received after the financial year and performance assessments are complete, and, for selected individuals, a deferred component (see below).</p> <p>STI payments will only be made where challenging targets and superior performance outcomes are achieved.</p> <p>Decisions regarding STI opportunity and key performance indicators ('KPIs') for participants are yet to be finalised.</p>
Deferred STI	<p>For Mr Patterson only, a Deferred Cash-based Incentive Award was provided. Once performance was formally evaluated for the year, 50% was provided as an immediate cash payment and 50% set aside as a deferred cash-based incentive, vesting one year later. The value of the deferred component grew in line with the performance of the Perennial Balanced Wholesale Trust.</p>	<p>No STI deferral arrangements were used.</p>	<p>Deferral of STI payments may form part of an individual's executive remuneration arrangements, based on seniority and influence on corporate performance. In these circumstances, it is anticipated that 50% of the final STI payment will be deferred, possibly into equity, with a view to 50% of the deferred component vesting after one year and the remaining 50% vesting after 2 years.</p> <p>The Board will retain discretion to amend and/or withhold deferred payments, subject to an assessment of compliance, performance or conduct which it considers lessens its original assessment of performance.</p> <p>Final decisions regarding the structure and operation of a possible STI deferral component will be made once anticipated legislation regarding the taxation of equity and APRA Prudential Standard LS510 are finalised.</p>

Remuneration report (cont'd)

Component	Legacy IOOF to 30 June 2009	Legacy AWM to 30 June 2009	IOOF current and future (unaudited)
Long Term Incentive ('LTI') component	<p>Equity based incentives were primarily delivered through the IOOF Executive Performance Share Plan, and, in some circumstances, also by the grant of options over ordinary shares to executives as part of their employment contracts or as determined by the Board.</p> <p>The LTI formed part of the Senior Executive's Total Incentive Compensation opportunity. At the conclusion of the annual performance period, a component of the total incentive compensation award was apportioned to fund an equity allocation. The relevant amount was determined by the Board (for the Managing Director) or the Managing Director and approved by the Board (for other Senior Executives), based on satisfaction of the performance scorecard objectives. The shares that were awarded as the LTI component were subject to the achievement of service and/or performance conditions.</p> <p>Share options were granted to certain Senior Executives as part of their employment contracts. These grants had service-based vesting conditions attached.</p> <p>For Senior Executives, LTI opportunity delivered through the IOOF Executive Performance Share Plan was scaled in a range between 25% and 50% of fixed remuneration.</p>	<p>Executive Directors and Senior Executives were invited to participate in the AWM Share Option Plan established in 2005.</p> <p>Each performance period (1 July to 30 June) the Board considered the granting of options to Executive Directors and Senior Executives within the Group which vested subject to the achievement of performance hurdles.</p>	<p>The Board considers a long-term performance-related incentive component to be an important element of the executive reward framework.</p> <p>It is anticipated that Executive Directors and Senior Executives will be eligible to participate in a new long-term incentive arrangement, to be determined by the Board.</p> <p>Final decisions regarding the structure, reward opportunity and operation of a LTI component will be made once anticipated legislation regarding equity taxation and APRA Prudential Standard LS510 are finalised.</p>
Deferred Share Purchase Plan	<p>Employees (including Executive Directors and Senior Executives) had the opportunity to participate in the IOOF Deferred Share Purchase Plan, which provided a facility to employees to salary sacrifice fixed remuneration or future incentive entitlements to acquire shares. As the purchase was funded by employees' salary sacrifice or incentives provided, no additional expense was recorded by the Company.</p>	<p>No share purchase plan was in place.</p>	<p>A decision is yet to be taken regarding the continued operation of the IOOF Deferred Share Purchase Plan.</p>

D.2 Short-term incentive (STI) arrangements

The STI arrangements in place for Executive Directors and Senior Executives during the financial year ended 30 June 2009 in both IOOF and AWM are outlined below.

IOOF

Executive Directors and Senior Executives were eligible to participate in a cash-based STI program. The performance objectives included in the plan were selected to ensure:

- rigour in financial management, aligning performance with shareholder interest;
- focus on the key strategic initiatives that will facilitate growth; and
- focus on safeguarding of shareholder and client interests and the IOOF brand.

At the conclusion of the performance period, the STI opportunity award was assessed and a cash-based payment funded. Payments were subject to the financial performance of the organisation and individual performance relative to pre-agreed objectives, set out in an executive performance scorecard.

Scorecard elements included:

- a Group financial objective;
- a profit objective related to the relevant business unit; and
- key strategic objectives related to the executive's function and business priorities.

The scorecard methodology provided that for each 1% 'above plan' an additional 2.5% of the 'on plan' incentive opportunity would apply, capped at an additional 25% (which would apply where the result was 110% of Plan). This premium recognised that performance in excess of 100% of the plan warranted moderate reward but higher levels of results more substantial recognition. This methodology applied only to that component of the incentive compensation that was tied to the group and business unit financial components of the scorecard (50% in total).

At the end of the performance period, the Managing Director assessed the extent to which the scorecard objectives were met, and recommended to the Board the amount of the Total Incentive Compensation Award to be made to the Senior Executive. The extent to which the scorecard objectives were met by Executive Directors was assessed by the Board.

AWM

Executive Directors and Senior Executives were eligible to participate in a cash-based STI program. The plan was linked to the achievement of short and long-term company goals to protect and increase the interests of shareholders and to encourage the individual performance of participants.

Payments were subject to the achievement of both individual performance objectives (potential to receive up to 10% of fixed remuneration for this component) and company objectives (up to 40% of fixed remuneration). Individual performance objectives were agreed between the relevant Senior Executive and the Managing Director (or the Executive Director and the Board as appropriate), and the company objectives included a pre-determined Net Profit After Tax (NPAT) target set by the Group Remuneration and Appointments Committee for each relevant performance period.

D.3 Long-term incentive (LTI) arrangements

The LTI arrangements in place for Executive Directors and Senior Executives during the financial year ended 30 June 2009 in both IOOF and AWM are outlined below.

IOOF

Executive Directors and Senior Executives were eligible to participate in the IOOF Executive Performance Share Plan, under which awards of performance shares and options were made. Awards generally vested after a three-year period, subject to either achievement of pre-determined performance hurdles and/or continued employment.

Details of LTI grants made to the Managing Director are detailed in Part D.5 'Managing Director Remuneration'.

Remuneration report (cont'd)

FY09, FY08 and FY07 LTI allocations of performance shares to all Senior Executives other than Mr Robinson and Mr Billington (refer to Part F for details) had time-based vesting conditions. No additional performance conditions were attached as performance objectives had to be achieved prior to eligibility.

FY06 LTI allocations of performance shares to Senior Executives were subject to the achievement of three performance conditions:

- 60% based on relative TSR;
- 20% based on Cash Earnings Per Share ('Cash EPS'); and
- 20% based on Return on Capital Employed ('ROCE').

On the event of the merger with AWM, under the terms of the LTI awards, any performance-related conditions were deemed to be waived, although time-based vesting conditions remained. Further, where the individual's employment ceases within 12 months of the merger for reasons other than resignation or misconduct, 75% of LTI awards which were previously subject to performance-based conditions will vest, and 100% of LTI awards subject to time-based conditions will vest.

AWM

Executive Directors and Senior Executives were eligible to participate in the AWM Share Option Plan, under which share options were granted. Options vested over a three year period, subject to the achievement of performance hurdles determined by the Board for each allocation.

Details of LTI grants made to the Managing Director are detailed in Part D.5 'Managing Director Remuneration'.

The performance hurdles and vesting arrangements under all grants (including those made during the financial year ended 30 June 2009) were:

- 50% of options vested if the company's TSR was positive relative to the TSR of a comparator group of ASX-listed companies as determined by the Board (ie AWM's TSR needed to sit within the top quartile and be positive); and
- 50% of options vested if the company's NPAT result was in excess of the approved budget for each period and exceeded the prior year result by at least 15% after adjustment for acquisitions.

On the event of the merger with IOOF, existing options were cancelled (as outlined in the Scheme Booklet) and options over IOOF shares were offered to the option holders. The performance hurdles were waived, such that the new options are subject to time-based vesting only over the same term as applied to the original option grant.

D.4 Hedging of unvested securities

The IOOF Securities and Insider Trading Policy contained a restriction on executives and other employees entering into a hedging transaction to remove the 'at risk' aspect of securities that have been granted to them as part of their remuneration package and which have not vested subject to performance conditions and/or which are still subject to forfeiture conditions. Employees were provided with a copy of this policy and were required to provide annual certification that they have complied. Failure to comply with the policy could result in disciplinary action, including forfeiture of the securities, suspension or termination of employment.

AWM operated a similar policy in relation to hedging of unvested securities held by Executive Directors and Senior Executives during the period.

D.5. Managing Director remuneration

C Kelaher, Managing Director – AWM to 30 April 2009, and IOOF Holdings from 30 April 2009

Terms of appointment

Mr Kelaher is employed under an unlimited duration service agreement. Under that agreement, Mr Kelaher received fixed remuneration (subject to review annually by the Board), a short-term incentive component, and an equity-based long-term incentive component, as discussed below. There are various performance and vesting conditions attached to the remuneration provided to Mr Kelaher under the terms of his agreement.

Mr Kelaher can terminate his employment by giving IOOF three (3) months' written notice. The Board can waive the requirement for him to serve out part or all of the notice period, although he would be entitled to the fixed remuneration for that portion of the notice period not served out. Any unvested incentives at the date of termination would lapse.

The company can terminate Mr Kelaher's employment at any time by giving twelve (12) months' written notice, or the company can elect to make payment of fixed remuneration in lieu of part or all of the notice period that he was not required to serve out. The proportion (if any) of the short-term incentive and any unvested long-term incentives to which Mr Kelaher will be entitled in this event is at the discretion of the Board.

In the event Mr Kelaher's employment is terminated (except in the circumstances of misconduct), he will be paid an entitlement equal to twelve (12) months' fixed remuneration plus unpaid leave entitlements, and an amount to reflect a pro-rated entitlement to STI for the period.

Remuneration

The remuneration of Mr Kelaher was set by the Board and is based on a market review of the level of remuneration required to attract and retain a high calibre incumbent suitable for the role. During the financial year ended 30 June 2009, Mr Kelaher received a remuneration package comprising fixed remuneration (\$830,000 – \$130,000 of which is included in his remuneration from the IOOF Group as detailed within table F.1), a short-term incentive (cash-based) and a long-term incentive (equity-based).

The proportion of total remuneration that was 'at risk' was directly linked to the Managing Director's role and influence over Company performance.

STI

For the financial year ended 30 June 2009, total STI opportunity was up to \$780,000 comprising both corporate and individual performance components. In determining the value of STI earned by the Managing Director, the Board considered the two major components of the STI, being individual KPIs set for the year (maximum of 40% of STI opportunity) and the corporate performance of AWM (maximum 60% of STI opportunity). The Board determined that, based on AWM's overall corporate performance and in the context of the current economic climate, payment in relation to the corporate performance component would not be appropriate. A bonus allocation of \$170,000 (\$28,333 of which is included in his remuneration from the IOOF Group as detailed within table F.1) was determined as appropriate in relation to the individual performance component (approximately 55% of the maximum 40% available), reflecting strong individual performance and a number of KPIs that were achieved.

LTI

At the AWM 2007 Annual General Meeting ('AGM'), shareholders approved the allocation of options to Mr Kelaher in the event that certain KPIs in relation to acquisitions were met. As a result of the merger agreement between IOOF and AWM, it was determined that these options could not practically be granted. However, the Board considered that the KPIs established had in fact been met, reflecting the superior performance required from Mr Kelaher in order to receive the grant. This assessment was made in consequence of the successful IOOF/AWM merger and the acquisition of Skandia Australia. In light of this performance and the prior shareholder approval received in relation to the proposed grant, the Board determined that a cash bonus of \$450,000 be awarded to compensate for the inability to grant the options (the value of the award of share options approved by shareholders being up to \$500,000). This amount was paid in respect of his performance pre the merging of IOOF and AWM and is not included in his IOOF remuneration as detailed in table F.1.

No other LTI award was granted to Mr Kelaher during the financial year ended 30 June 2009.

Remuneration report (cont'd)

Terms of appointment and remuneration for the financial year ending 30 June 2010

The terms and conditions of Mr Kelaher's contract of employment as Managing Director of IOOF are currently being reviewed by the Board and will be released to the market once finalised.

As a first step in this review, Mr Kelaher's remuneration for the year ending 30 June 2010 was considered by the Remuneration Committee and has been agreed as follows:

Mr Kelaher will be entitled to receive the same combined fixed remuneration and STI opportunity as he received during the financial year ended 30 June 2009, being \$1,610,000. However, the mix of fixed remuneration and STI opportunity will be apportioned differently to reflect the remuneration approach objectives outlined in Part D.1, such that Mr Kelaher will receive:

- fixed remuneration of \$950,000; and
- STI opportunity of up to a maximum of \$660,000 (including any deferred component, once decisions can be made as to the most appropriate structure to support the deferral).

As noted in Part D.1 above, the Remuneration Committee considers a long-term performance-related incentive component to be an important element of the executive reward framework. However, no decisions have been made to date regarding Mr Kelaher's level of participation in, or the structure of, LTI arrangements for the year ending 30 June 2010. It is anticipated that, once decisions have been taken, proposals relating to the form and details of the desired LTI arrangement will be announced and submitted to shareholders for consideration and approval at the 2009 AGM.

A Robinson, Managing Director – IOOF Holdings to 30 April 2009

During the financial year ended 30 June 2009, Mr Robinson received a remuneration package comprising fixed remuneration (\$500,000), a short-term incentive (cash-based) and a long-term incentive (equity-based).

STI

For the financial year ended 30 June 2009, Mr Robinson's STI opportunity comprised a financial and individual performance component (with maximum opportunity of \$500,000) and a strategic targets component (again with a maximum opportunity of \$500,000) set by the Board. In determining the value of STI earned by Mr Robinson, the Remuneration Committee considered the KPIs set for the year, Mr Robinson's involvement in both the merger between IOOF and AWM and the acquisition of Skandia Australia and Intech Investments as well as the corporate performance of IOOF. Bonus allocations of \$450,000 in relation to the financial and individual performance component and a further \$450,000 in relation to the strategic targets component were determined as appropriate in light of performance achieved.

LTI

Mr Robinson was granted performance shares and options on 13 November 2007 pursuant to shareholder approval granted at the Annual General Meeting, and vesting of which was to be subject to specific performance conditions.

a) Performance shares

Fifty thousand (50,000) performance shares were allotted for each of the 2008, 2009 and 2010 financial years, performance tested from 1 July 2007 to 30 June 2010, 1 July 2008 to 30 June 2011, and 1 July 2009 to 30 June 2012, respectively. The vesting of performance shares was subject to performance conditions relating to the Company's TSR over the performance period compared to the TSR performance of a comparator group comprising organisations with the same underlying business drivers and facing similar growth opportunities and challenges as IOOF. The peer group comprised AMP Ltd, AXA Asia Pacific Holdings Ltd, Challenger Financial Services Group Ltd, Count Financial Limited, Hunter Hall International Ltd, Over Fifty Group Ltd, Perpetual Ltd, Tower Ltd, Treasury Group Ltd, Trust Company Ltd, and WHK Ltd. The percentage of performance shares that would vest depended on the TSR ranking achieved by IOOF as follows:

- For TSR growth percentile ranking below the 50th percentile, 0% of performance shares would vest.

- For TSR growth percentile ranking between the 50th percentile and 75th percentile, 50% of performance shares would vest, plus 2% of shares for each 1% increase in TSR ranking.
- For TSR growth percentile ranking at or above the 75th percentile, 100% of performance shares would vest.

The fair value of the performance shares at grant date was \$3.96. This fair value reflects the market-based vesting conditions that applied to these performance shares.

Under the terms of the IOOF Executive Performance Share Plan, the three tranches of performance shares vested automatically in the event of the merger.

b) Options

Six hundred and seventy-five thousand (675,000) options were also granted, divided into three equal tranches tested from 1 July 2007 to 30 June 2010, 1 July 2007 to 30 June 2011 and 1 July 2007 to 30 June 2012, respectively. The vesting of options was to be subject to absolute growth in the Company's underlying earnings per share ('UEPS') over the performance period. Zero percent (0%) of the options would vest if during the relevant performance period the Company failed to achieve absolute growth in UEPS of 10% or more. One hundred percent (100%) of the relevant tranche of options would vest if during the relevant performance period the Company achieved absolute average annual growth in UEPS of 10% or more. Any options which did not vest would lapse and would not be re-tested. The exercise price of the options was set at \$9.89, being the Company's average share price on the ASX over the four (4) trading days following the announcement of Mr Robinson's appointment. Vested options were to be exercised in the 2 (two) year period following the vesting date for the relevant tranche, and would expire if not exercised during this period. The fair value of options at grant date was, \$1.96, \$2.21 and \$2.41 for tranches 1, 2, and 3 respectively.

Treatment of LTI awards on merger

As previously reported to the market on 16 February 2009, the terms under which the three tranches of options had been granted to Mr Robinson as contained within the 2007 AGM Notice of Meeting contained an error relating to the timing and determination of the performance hurdle – stating that the options would lapse if the UEPS growth hurdle was not met in any of the years within the performance period, rather than on the cumulative basis that had been the Board's intention. As a result of this interpretation, all three tranches were judged to have lapsed as the hurdle was considered not to have been met in the first year after grant. As communicated to the market on 16 February 2009, the IOOF Board determined that, should the merger proceed, all three tranches of the options should have vested, and pursuant to this, that further shareholder approval will be sought at the 2009 AGM to grant replacement options to Mr Robinson. If granted, the options will vest immediately and become exercisable. The exercise price of \$9.89 will remain unchanged, and the options must be exercised within two years of the date of vesting.

This proposal has been made to place Mr Robinson in the same position as he would have been in, had the drafting mistake in the 2007 AGM Notice of Meeting not been made.

Termination arrangements

In accordance with the terms and conditions of his contract and IOOF's policy on redundancy, Mr Robinson also received a termination payment of \$500,000, equal to twelve (12) months' fixed remuneration.

Remuneration report (cont'd)

Part E. Terms of appointment

Remuneration and other terms of employment for the Managing Director, Executive Directors, and Senior Executives are formalised in employment contracts.

Details of the employment contracts, as applied during the financial year, are as follows:

Executive	Employing Company	Term	Notice period and termination provisions/ benefits applying during the financial year ending 30 June 2009
C Kelaher	Australian Wealth Management	Ongoing	The Company may terminate Mr Kelaher's employment (except for misconduct) with 12 months written notice. The company may elect to make a payment in lieu of part or all of this notice period based on 12 months' 'total fixed remuneration' (incorporating unpaid leave entitlements, and an amount to reflect a pro-rated entitlement to STI for the period). The Board has discretion regarding treatment of unvested short and long-term incentives.
I Griffiths	Australian Wealth Management	In transition (see details)	While in the role of Executive Director of AWM, Mr Griffiths was entitled to 24 months' notice given by the Company and 3 months' notice by Mr Griffiths. As a result of the announcement on the 28 July 2008 of Mr Griffiths' transition to the role of Non-Executive Director from 1 July 2009, existing leave entitlements were paid out in full and future employee entitlements including leave provisions, bonuses and options (including those approved at the 2008 AGM with grant dates of 1 July 2008 and 1 July 2009) were forgone. Mr Griffiths also surrendered his entitlement to a two-year termination payment. During this time, the Board determined that Mr Griffiths would receive a consultancy fee which ceased once the transition was complete (being 1 July 2009).
S Abley	IOOF Services Pty Ltd	Ongoing	The Company may terminate the contract (other than in the case of redundancy) by giving 5 months notice (or payment in lieu, calculated on fixed remuneration). In the case of redundancy, the Senior Staff Redundancy Policy applies.
A Hodges	IOOF Services Pty Ltd	Ongoing	The Company may terminate the contract for unsatisfactory performance by giving 5 months notice. In the case of redundancy, IOOF Holdings Ltd Board will agree the terms with Mr Hodges.
R Mota	IOOF Services Pty Ltd	Ongoing	The Company may terminate the contract for unsatisfactory performance or prolonged absence on medical grounds by giving 4 months notice or at any time by giving 7 months notice (or payment in lieu, calculated on fixed remuneration). In the case of redundancy, the Senior Staff Redundancy Policy applies.
A Patterson	Perennial Investment Partners Limited	Ongoing	If at any time prior to 30 June 2009 the Company terminates Mr Patterson's employment on any basis other than fraud, death, bankruptcy or permanent disability, or if a change of control of the Company occurs, Mr Patterson can choose to have the deferred payment, pursuant to the Share Sale and Purchase Agreement to which he is a party, paid to him within 30 business days. Mr Patterson will also be paid accrued monies or benefits to which Mr Patterson is entitled on the termination date and statutory entitlements. Further, other than in the case of serious breach of the Executive Service Agreement where no notice of termination would be provided, the Company may terminate the contract by paying a sum calculated by reference to the Senior Staff Redundancy Policy.

Executive	Employing Company	Term	Notice period and termination provisions/ benefits applying during the financial year ending 30 June 2009
D Coulter	IOOF Services Pty Holdings Ltd	Ongoing	The Company may terminate the contract for unsatisfactory performance or prolonged absence on medical grounds by giving 4 months notice or at any time by giving 6 months notice (or payment in lieu, calculated on fixed remuneration). In the case of redundancy, the Senior Staff Redundancy Policy applies.
M Carter	Australian Wealth Management	Ongoing	The Company may terminate Mr Carter's employment with 1 months' notice. Mr Carter may terminate his employment with 1 months' notice.
J Jodlowski	Australian Wealth Management	Ongoing	The Company may terminate Mr Jodlowski's employment with 12 months' notice. Mr Jodlowski may terminate his employment with 3 months' notice.
A McLachlan	Australian Wealth Management	Ongoing	The Company may terminate Mr McLachlan's employment with 3 months' notice. Mr McLachlan may terminate his employment with 3 months' notice.

Part F. Remuneration of Executive Directors and Named Senior Executives for the year ended 30 June 2009

Termination payments made to departing executives as a result of the merger

The executive teams at both IOOF and AWM recognised the synergies that would be available as a result of the decision to merge. It was also acknowledged that these synergies would include a reduction in staff members, particularly at the senior level where the executive teams were combined. A number of individuals remained with their respective organisation from the date of announcement of the merger until completion to ensure that the transaction was a success, despite it being unlikely that there would be a position for them in the merged entity. A decision was therefore taken by both IOOF and AWM that pre-existing contractual arrangements relating to termination would be honoured, as well as the company's policies in relation to redundancy followed. The Remuneration and Appointments Committee and the Board considered these to be true redundancies of individuals who performed well during the period in question.

IOOF Senior Staff Redundancy Policy ('Original IOOF Policy')

The Original IOOF Policy has been discontinued for a number of years. However, on updating the Original IOOF Policy, it was necessary to grandfather the contractual provisions of a number of individuals, some of whom remained employed by IOOF.

The Original IOOF Policy stated that, in the event of a bona fide redundancy, termination entitlements were calculated based on a schedule of 'total remuneration' received, such that:

- the notice period due (or payment in lieu of notice) was set at three (3), four (4) or five (5) months;
- severance payments were also due, at a rate of three (3) weeks' total remuneration per year of service completed; and
- a ceiling on the total value of the redundancy package received was set at fifty two (52) weeks' total remuneration.

For the purpose of the IOOF Policy, 'total remuneration' was defined as the fixed remuneration at the time of termination, plus (if applicable) an annualised average of any STI or LTI or other incentive awards provided over the previous three (3) years.

The following individuals disclosed in the Remuneration Table below received payments under this Original IOOF Policy:

Senior Executive	Termination benefits
A Bisogni	\$525,071
M Blackburn	\$585,024
M Coe	\$110,320
P Wallbridge	\$608,613
G Wood	\$107,844

Remuneration report (cont'd)

Part F1. Remuneration table

The following table set out the remuneration received by executive directors, other KMP, and named senior executives for the financial year ended 30 June 2009 and the comparative year.

Key Management Personnel and Named Senior Executives		Short-term Benefits			
		Salary ⁽¹⁾	Bonus ⁽²⁾	Non-monetary benefits ⁽³⁾	Total
Name		\$	\$	\$	\$
Executive Director					
C Kelaher (from 30 April 2009)	2009	120,000	28,333	–	148,333
I Griffiths (from 30 April 2009)	2009	41,667	–	–	41,667
Other Key Management Personnel					
S Abley	2009	237,152	38,773	27,802	303,727
	2008	204,810	60,000	19,688	284,498
D Coulter (from 29 May 2009)	2009	19,615	814	1,942	22,371
A Hodges (Director to 30 April 2009)	2009	229,210	41,232	46,826	317,268
	2008	222,406	85,000	24,603	332,009
R Mota	2009	293,167	28,716	–	321,883
	2008	223,376	64,000	–	287,376
A Patterson	[^] 2009	569,644	501,443	8,910	1,079,997
	[^] 2008	620,415	629,810	13,700	1,263,925
Key Management Personnel who joined the group upon the merger with the Australian Wealth Management group, effective 30 April 2009:					
M Carter	2009	41,667	5,000	1,586	48,253
J Jodlowski	2009	33,639	2,500	–	36,139
A McLachlan	2009	39,029	–	–	39,029
Key Management Personnel and Named Senior Executives who ceased being a KMP, departed the Group during either reporting periods or since the end of this financial year:					
J Billington (to 1 July 2009)	[^] 2009	413,211	72,187	106,403	591,801
	[^] 2008	427,816	158,016	116,889	702,721
A Bisogni (to 8 May 2009)	[^] *2009	256,879	84,423	–	341,302
	*2008	266,683	77,000	–	343,683
M Blackburn (to 8 May 2009)	[^] *2009	313,885	121,481	–	435,366
	[^] *2008	319,835	115,000	–	434,835
M Crivelli (KMP to 30 April 2009)	2009	152,905	–	3,860	156,765
	2008	174,363	–	951	175,314
M Coe (to 12 June 2009)	*2009	156,833	6,825	–	163,658
	*2008	136,076	12,900	–	148,976

Post Employment Benefits Superannuation ⁽⁴⁾	Termination Benefits	Other Long-term Benefit ⁽⁵⁾	Share Based Payments ⁽⁶⁾		Total
			Options	Shares	
\$	\$	\$	\$	\$	\$
10,000	–	–	285,093	–	443,426
–	–	–	9,008	–	50,675
26,212	–	–	–	70,312	400,251
21,620	–	–	–	55,031	361,149
1,767	–	–	–	–	24,138
20,230	–	22,657	–	272,162	632,317
18,453	–	78,428	–	261,067	689,957
29,758	–	–	–	77,757	429,398
49,090	–	–	–	46,549	383,015
49,997	–	231,159	–	–	1,361,153
13,129	–	443,910	–	–	1,720,964
4,167	–	–	7,721	–	60,141
3,028	–	–	16,292	–	55,459
4,305	–	–	16,292	–	59,626
13,746	–	–	273,886	545,711	1,425,144
13,129	–	–	10,715	10,714	737,279
21,975	525,071	(29,062)	–	690,300	1,549,586
24,271	–	29,062	–	216,867	613,883
99,941	585,024	–	–	1,005,766	2,126,097
100,000	–	–	–	301,772	836,607
13,761	–	9,309	–	–	179,835
14,767	–	17,023	–	–	207,104
22,993	110,320	–	–	–	296,971
20,618	–	–	–	–	169,594

Remuneration report (cont'd)

Key Management Personnel and Named Senior Executives		Short-term Benefits			
		Salary ⁽¹⁾	Bonus ⁽²⁾	Non-monetary benefits ⁽³⁾	Total
Name		\$	\$	\$	\$
B Linehan (to 5 June 2009)	[#] 2009	168,921	5,000	–	173,921
	[#] 2008	137,364	–	–	137,364
A Robinson ⁽⁷⁾ (to 30 April 2009)	2009	462,811	975,000	9,017	1,446,828
	2008	452,265	450,000	6,026	908,291
M Stephen (to 14 March 2008)	[^] 2008	202,751	–	3,467	206,218
P Wallbridge (to 29 May 2009)	[^] 2009	233,691	79,202	22,221	335,114
	[^] 2008	293,567	72,500	–	366,067
G Wood (to 12 June 2009)	[#] 2009	168,468	10,000	–	178,468
	[#] 2008	167,571	15,000	–	182,571

- (1) 'Salary' amount includes accruals for annual leave.
- (2) The bonus reflects amounts provided under the short-term incentive program in relation to the financial year. This incentive payment amount for 2008/9 has been communicated to participants. The expected payment value of the bonuses is the amount shown. The minimum value of the bonuses, had the performance hurdles not been met, would have been zero.
- (3) Non-monetary benefits include Fringe Benefit Tax paid and the value of other non-monetary benefits.
- (4) Superannuation includes salary and performance incentives sacrificed into superannuation funds.
- (5) Other Long-term benefits includes accruals for long service leave, and long term incentives of \$200,000 (2008: \$428,000) accruing to Mr Patterson. The total accrued balance for the long term incentives awarded to Mr Patterson was \$702,900 at 30 June 2009, and the vesting date 1 July 2009.
- (6) Equity compensation includes salary and performance incentives sacrificed into the Deferred Share Purchase Plan, accruals in relation to the Executive Performance Share Plan, and accruals in relation to other grants of shares and options over shares in IOOF Holdings Ltd. The value of the number of shares and options expected to vest has been apportioned over the term from grant date to vesting date. The grant dates for shares allocated under the Executive Performance Share Plan were 1 December 2005, 1 December 2006, 1 December 2007 and 1 December 2008.
- (7) Mr Robinson's remuneration in relation to share options amounting to \$521,813 in 2008 has been reversed in 2009 upon the forfeiture of those options, on the basis that the non market-based performance hurdles had not been met. The Board intends to replace these options, subject to shareholder approval as outlined in Part D.5 of the Remuneration Report.

Amounts are shown in accordance with the *Corporations Act 2001* where the senior executive is amongst the five highest paid executives of the Group and/or Company.

[^] denotes one of the five highest paid executives of the Group, as required to be disclosed under the *Corporations Act 2001*.

[#] denotes one of the five highest paid executives of IOOF Holdings Ltd, as required to be disclosed under the *Corporations Act 2001*.

Post Employment Benefits Superannuation ⁽⁴⁾	Termination Benefits	Other Long-term Benefit ⁽⁵⁾	Share Based Payments ⁽⁶⁾		Total
			Options	Shares	
\$	\$	\$	\$	\$	\$
13,182	–	–	–	–	187,103
12,015	–	–	–	–	149,379
50,000	500,000	–	(521,813)	528,000	2,003,015
50,000	–	–	521,813	66,000	1,546,104
16,324	468,333	(11,778)	–	237,477	916,574
28,403	608,613	–	–	190,222	1,162,352
23,532	–	27,099	–	383,309	800,007
13,172	107,844	–	–	–	299,484
13,129	–	–	–	–	195,700

Remuneration report (cont'd)

F.2 Remuneration components as a percentage of total remuneration

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Remuneration components (based on annualised amounts)						
Name	Fixed		Total Incentive Compensation Award		Total Remuneration	
	%		%		%	
	2009	2008	2009	2008	2009	2008
C Kelaher	45	–	55	–	100	–
A Hodges	53	52	47	48	100	100
S Abley	75	82	25	18	100	100
M Carter	77	–	23	–	100	–
D Coulter	95	–	5	–	100	–
I Griffiths	100	–	–	–	100	–
J Jodlowski	86	–	14	–	100	–
A McLachlan	92	–	8	–	100	–
R Mota	69	61	31	39	100	100
A Patterson	41	62	59	38	100	100
Key Management Personnel and Senior Executives who ceased being a KMP or departed during or since the end of the financial year:						
A Bisogni	55	61	45	39	100	100
M Blackburn	50	58	50	42	100	100
J Billington	86	65	14	35	100	100
M Crivelli (KMP to 30 April 2009)	100	100	–	–	100	100
B Linehan	97	100	3	–	100	100
M Coe	96	92	4	8	100	100
A Robinson	29	53	71	47	100	100
M Stephen	–	74	–	26	–	100
P Wallbridge	76	80	24	20	100	100
G Wood	95	92	5	8	100	100

F.3 Share option component of remuneration

Name	Remuneration Consisting of Options ⁽¹⁾		Value at Grant Date ⁽²⁾	
	%		\$	
	2009	2008	2009	2008
C Kelaher	64	–	347,255 ⁽³⁾	–
M Carter	13	–	37,352 ⁽³⁾	–
I Griffiths	18	–	–	–
J Jodlowski	29	–	14,941 ⁽³⁾	–
A McLachlan	27	–	14,941 ⁽³⁾	–
Key Management Personnel who departed during or since the end of the financial year:				
A Robinson	(26)	34	–	1,480,500
J Billington	19	1	181,425	375,000

- (1) The percentage of the value of remuneration consisting of options, based on the value of the options expensed during the current year.
- (2) The value at grant date calculated in accordance with AASB 2 *Share-based Payment* of options granted during the year as part of remuneration and accounted for over the vesting period.
- (3) The value of options granted on 1 July 2008 by Australian Wealth Management Ltd and replaced by options in IOOF Holdings Ltd following the business combination on 30 April 2009.

Further details of share options granted during the year are provided at Part D Executive Remuneration Arrangements. No options have vested to date (IOOF executives), and hence no shares have been issued on exercise of options.

Remuneration report (cont'd)

F.4 Cash bonus and LTI equity allocations

The following table sets out the cash bonus and LTI equity allocation awarded or forfeited in respect of the financial year.

Name	Cash		LTI	
	Paid %	Forfeited %	Awarded %	Forfeited %
C Kelaher	22	78	100	–
A Hodges	50	50	88	12
S Abley	50	50	88	12
M Carter	22	78	100	–
D Coulter	50	50	–	–
I Griffiths	–	–	–	–
J Jodlowski	14	86	100	–
A McLachlan	–	100	100	–
R Mota	50	50	88	12
A Patterson	50	50	100	–
Key Management Personnel and Senior Executives who ceased being a KMP or departed during or since the end of the financial year:				
J Billington	50	50	–	–
A Bisogni	88	12	88	12
M Blackburn	88	12	88	12
M Coe	50	50	–	–
M Crivelli (KMP to 30 April 2009)	–	–	–	–
B Linehan	50	50	–	–
A Robinson	90	10	100	–
P Wallbridge	50	50	–	–
G Wood	50	50	–	–

F.5 Unvested Shareholdings – number and value of shares

Key Management Personnel and Named Senior Executives								
Name	Grant date	Issue Price	Vesting Date ⁽¹⁾	Unvested at 30 June 2008	Granted	Forfeited	Vested ⁽²⁾	Unvested at 30 June 2009
Key Management Personnel								
S Abley	Nov-06	\$10.53	Oct-09	6,409	–	–	–	6,409
			Total Value	\$67,487	–	–	–	\$67,487
A Hodges	Nov-04	\$8.65	Oct-07	3,982	–	–	(3,982)	–
	Nov-05	\$7.42	Oct-08	34,376	–	–	(34,376)	–
	Nov-06	\$10.53	Oct-09	26,085	–	–	–	26,085
	Nov-07	\$8.70	Oct-10	34,130	–	–	–	34,130
	Nov-08	\$3.17	Oct-11	–	47,651	–	–	47,651
			Total Value	\$861,120	\$151,054	–	(\$289,514)	\$722,660
R Mota	Nov-05	\$7.42	Oct-08	6,066	–	–	(6,066)	–
	Nov-06	\$10.53	Oct-09	6,210	–	–	–	6,210
	Nov-07	\$8.70	Oct-10	14,657	–	–	–	14,657
	Nov-08	\$3.17	Oct-11	–	30,497	–	–	30,497
			Total Value	\$237,917	\$96,675	–	(\$45,010)	\$289,583
Key Management Personnel and named senior executives who have departed during or since the end of the financial year:								
J Billington	Jul-08	\$4.95	Jul-11	–	19,060	–	–	19,060
	Apr-09	\$4.95	Jul-11	–	47,651	–	–	47,651
	Jul-08	\$4.74	Jul-12	–	47,651	–	–	47,651
			Total Value	\$0	\$556,085	–	–	\$556,085
A Bisogni	Nov-04	\$8.65	Oct-07	3,162	–	–	(3,162)	–
	Nov-05	\$7.42	Oct-08	28,815	–	–	(28,815)	–
	Nov-06	\$10.53	Oct-09	22,208	–	–	(22,208)	–
	Nov-07	\$8.70	Oct-10	25,009	–	–	(25,009)	–
	Nov-08	\$3.17	Oct-11	–	39,074	–	(39,074)	–
	Apr-09	\$3.68	May-09	–	42,254	–	(42,254)	–
			Total Value	\$692,587	\$279,359	–	(\$971,946)	\$0
M Blackburn	Nov-04	\$8.65	Oct-07	5,670	–	–	(5,670)	–
	Nov-05	\$7.42	Oct-08	38,420	–	–	(38,420)	–
	Nov-06	\$10.53	Oct-09	28,726	–	–	(28,726)	–
	Nov-07	\$8.70	Oct-10	38,600	–	–	(38,600)	–
	Nov-08	\$3.17	Oct-11	–	58,769	–	(58,769)	–
	Apr-09	\$3.68	May-09	–	63,716	–	(63,716)	–
			Total Value	\$972,427	\$420,773	–	(\$1,393,199)	\$0

Remuneration report (cont'd)

Key Management Personnel and Named Senior Executives								
Name	Grant date	Issue Price	Vesting Date ⁽¹⁾	Unvested at 30 June 2008	Granted	Forfeited	Vested ⁽²⁾	Unvested at 30 June 2009
A Robinson	Nov-07	\$3.96	Oct-10	50,000	100,000	–	(150,000)	–
			Total Value	\$198,000	\$396,000	–	(\$594,000)	\$0
P Wallbridge	Nov-04	\$8.65	Oct-07	3,045	–	–	(3,045)	–
	Nov-05	\$7.42	Oct-08	27,298	–	–	(27,298)	–
	Nov-06	\$10.53	Oct-09	19,379	–	–	(19,379)	–
	Nov-07	\$8.70	Oct-10	23,133	–	–	(23,133)	–
			Total Value	\$634,208	–	–	(\$634,208)	\$0

(1) Vesting dates in relation to shares granted under the Executive Performance Share Plan represent the earliest date shares can vest according to service conditions.

(2) Includes the accelerated vesting of shares upon the merger with Australian Wealth Management Limited, or upon the termination of employment of the executive.

F.6 Unvested options

Key Management Personnel and Named Senior Executives										
Name	Series	Original AWM Grant Date	Vesting Date	Exercise Price	Expiry Date	Options unvested at 30 June 2008	Replaced upon merger with AWM on 30 April 2009 ⁽¹⁾	Forfeited	Vested ⁽²⁾	Options unvested at 30 June 2009
Key Management Personnel										
M Carter	10	Mar-07	Mar-08	\$9.70	Mar-11	–	6,703	–	(6,703)	–
	12	Sep-07	Sep-08	\$9.36	Jun-13	–	5,362	–	(5,362)	–
	12	Sep-07	Sep-09	\$9.36	Jun-13	–	4,021	–	–	4,021
	12	Sep-07	Sep-10	\$9.36	Jun-13	–	4,022	–	–	4,022
	16	Jul-08	Jun-09	\$6.34	Jul-12	–	67,025	–	(67,025)	–
	16	Jul-08	Jun-10	\$6.34	Jul-12	–	67,024	–	–	67,024
					Total	–	154,157	–	(79,090)	75,067
I Griffiths	14	Nov-07	Nov-08	\$10.00	Nov-12	–	22,341	–	(22,341) ⁽⁴⁾	–
	14	Nov-07	Nov-09	\$10.00	Nov-12	–	22,342	–	–	22,342
	14	Nov-07	Nov-10	\$10.00	Nov-12	–	22,342	–	–	22,342
					Total	–	67,025	–	(22,341)	44,684
J Jodlowski	9	Jan-07	Jan-08	\$9.18	Jan-11	–	40,215	–	(40,215)	–
	11	Sep-07	Jun-08	\$9.36	Jun-13	–	21,447	–	(21,447) ⁽³⁾	–
	11	Sep-07	Jun-09	\$9.36	Jun-13	–	16,086	–	(16,086) ⁽³⁾	–

Key Management Personnel and Named Senior Executives										
Name	Series	Original AWM Grant Date	Vesting Date	Exercise Price	Expiry Date	Options unvested at 30 June 2008	Replaced upon merger with AWM on 30 April 2009 ⁽¹⁾	Forfeited	Vested ⁽²⁾	Options unvested at 30 June 2009
J Jodlowski	11	Sep-07	Jun-10	\$9.36	Jun-13	–	16,086	–	–	16,086
(cont'd)	16	Jul-08	Jun-09	\$6.34	Jul-12	–	26,810	–	(26,810)	–
	16	Jul-08	Jun-10	\$6.34	Jul-12	–	26,810	–	–	26,810
					Total	–	147,454	–	(104,588)	42,896
C Kelaher	14	Nov-07	Nov-08	\$10.00	Nov-12	–	44,683	–	(44,683) ⁽⁴⁾	–
	14	Nov-07	Nov-09	\$10.00	Nov-12	–	44,683	–	–	44,683
	14	Nov-07	Nov-10	\$10.00	Nov-12	–	44,683	–	–	44,683
	15	Jul-08	Jun-09	\$5.00	Jul-11	–	334,585	–	(334,585)	–
					Total	–	468,634	–	(379,268)	89,366
A McLachlan	1	Feb-05	Nov-07	\$2.98	Feb-14	–	107,239	–	(107,239)	–
	6	Jan-06	Jan-09	\$5.52	Jan-11	–	80,429	–	(80,429)	–
	9	Jan-07	Jan-08	\$9.18	Jan-11	–	67,025	–	(67,025)	–
	11	Sep-07	Jun-08	\$9.36	Jun-13	–	21,447	–	(21,447) ⁽³⁾	–
	11	Sep-07	Jun-09	\$9.36	Jun-13	–	16,086	–	(16,086) ⁽³⁾	–
	11	Sep-07	Jun-10	\$9.36	Jun-13	–	16,086	–	–	16,086
	16	Jul-08	Jun-09	\$6.34	Jul-12	–	26,810	–	(26,810)	–
	16	Jul-08	Jun-10	\$6.34	Jul-12	–	26,810	–	–	26,810
					Total	–	361,932	–	(319,036)	42,896
Key Management Personnel who have departed during or since the end of the financial year:										
J Billington	–	Jan-08	Jul-11	\$3.15	Jan-13	80,000	–	–	–	80,000
	–	Jul-08	Jul-11	\$3.15	Jan-13	100,000	–	–	–	100,000
					Total	180,000	–	–	–	180,000
A Robinson	–	Nov-07	Various	–	–	675,000	–	(675,000)	–	–
					Total	675,000	–	(675,000)	–	–

- (1) Represents the total number of options over AWM shares converted to IOOF shares upon merging of the two entities. AWM options convert to IOOF options at a conversion rate of 1 AWM share to 3.73 IOOF shares. All vesting conditions upon these options have been waived while the original vesting dates remain.
- (2) Represents options vested and exercisable as at 30 June 2009, unless noted otherwise. No options were exercised during the financial year.
- (3) Represents options vested, but not exercisable until June 2010.
- (4) Represents options vested, but not exercisable until December 2010.

Remuneration report (cont'd)

F.7 Maximum value of previous year Executive Performance Share and Option Grants that vest in future periods

The following table discloses additional information in respect of executive performance share and option grants that will vest in the future.

Name	Vesting Year		
	30 June 2010 \$	30 June 2011 \$	30 June 2012 \$
Shares:			
A Hodges	249,451	131,445	20,979
S Abley	9,375	–	–
R Mota	106,981	75,443	13,427
Options:			
C Kelaher	68,815	17,133	–
M Carter	21,640	–	–
J Jodlowski	24,723	–	–
A McLachlan	24,723	–	–

The values for shares and options with service based vesting conditions have been allocated to future periods by applying probabilities to the likelihood of the shares or options vesting, up to the earliest vesting date. Values for future periods have not been discounted to present value.

Minimum value in all cases is zero, if the Executive ceases employment before the end of the vesting period.

Refer to the notes to the financial statements for further explanation of the valuation method and for details of Key Management Personnel shareholdings.

Part G. Non-Executive Directors' remuneration

G.1 Approval of funding for the remuneration

IOOF's Constitution requires that the aggregate remuneration paid or provided to all Non-Executive Directors in any financial year by the Company, its subsidiaries and associated entities may not exceed an amount approved by shareholders in general meeting. This ceiling amount includes all remuneration provided to Non-Executive Directors, including superannuation but not including retirement benefits. The current limit of \$850,000 per annum was approved by shareholders at the 2005 AGM. The Board will not be seeking approval to increase this ceiling at the 2009 AGM.

G.2 Objectives

The primary objective of the policy for Non-Executive Directors is to ensure IOOF is able to retain and attract high calibre Non-Executive Directors. Non-Executive Directors are remunerated by way of fixed fees, including superannuation, and do not participate in remuneration programs designed to provide an incentive to Executive Directors and Senior Executives.

Non-Executive Directors' remuneration is independent of the Company's earnings or growth in shareholder value to encourage Non-Executive Directors to perform their roles independently of Senior Executives.

G.3 Remuneration structure for the financial year ended 30 June 2009

Non-Executive Directors received a base fee, inclusive of superannuation to compensate them for all elements of their duty to the Board.

Equity participation

IOOF established a Deferred Share Purchase Plan for Non-Executive Directors to enable them, on an optional basis, to salary sacrifice a portion of annual fees in order to acquire IOOF shares at market value on a tax deferred basis.

The following table sets out the number of shares acquired by existing directors at 30 June 2009 and the range of prices at which shares were acquired during the financial year ended 30 June 2009.

Name	Shares Acquired	Share price range at acquisition date	Dollar Value
I Blair	6,695	\$2.83 - \$5.46	\$26,160
J Harvey	3,021	\$2.83 - \$5.46	\$12,000
J Pfeiffer	10,537	\$2.83 - \$5.46	\$41,856
R Sexton	5,619	\$2.83 - \$5.46	\$22,320

Retirement benefits

The IOOF Board has withdrawn this benefit from the benefits of new Non-Executive Directors. However, the program continued for Directors appointed prior to 13 April 2003 to fulfil the terms of historical agreements. This benefit provides for a cash based payment to NEDs at the time of their retirement and is calculated as follows:

Period of Service as a NED	Benefit Value ⁽¹⁾
0 to < 3 years	Nil
3 to 5 years	AAE times 1.0
> 5 years to 10 years	AAE times 1.5
> 10 years	AAE times 2.0

The retirement benefits plan will remain in operation for Mr Blair and Dr Sexton (being the only two remaining participants) for the year ending 30 June 2010.

(1) 'AAE' = Annual Average Emoluments over the last 3 years of service to date of retirement.

Terms of appointment

All Non-Executive Directors have letters of appointment detailing the terms under which they are engaged. The term of appointment for each is open-ended, subject to the provisions of the Corporations Act and the Company's Constitution. Under the IOOF Holdings Ltd Constitution, one-third of Directors must retire from office each year and may seek re-election by shareholders at the AGM of the Company.

G.4 Remuneration structure for the financial year ending 30 June 2010

The Remuneration Committee has determined that the current levels of fees offered to IOOF Non-Executive Directors is in line with those received by Non-Executive Directors at comparable entities, and therefore the existing fee structure will continue to apply in relation to the financial year ending 30 June 2010, being:

Chairman	\$193,500
Non-Executive Director	\$126,700

This fee is inclusive of superannuation, and reflects fees paid for all Board responsibilities, including Board Committee duties.

The possible operation of the Deferred Share Purchase Plan for the financial year ending 30 June 2010 will be reviewed once anticipated legislation regarding equity taxation and Prudential Standard LS510 are finalised.

Remuneration report (cont'd)

G.5 Details of Remuneration for Non-Executive Directors

The following table sets out the remuneration received by Non-Executive Directors for the financial year ended 30 June 2009 and the comparative year.

Key Management Personnel		Short-term Benefits	Post-Employment Benefits	Share based payments	Total	Post-Employment Benefits	Total
Name		Directors Fees \$	Super annuation ⁽¹⁾ \$	Shares ⁽²⁾ \$	Shareholder Approved Remuneration ⁽³⁾ \$	Retirement Benefits ⁽⁴⁾ \$	\$
Non-Executive Directors							
I Blair	2009	153,890	15,495	26,160	195,545	21,037	216,582
	2008	161,325	13,647	22,740	197,712	49,262	246,974
J Harvey	2009	105,240	9,468	12,000	126,708	–	126,708
	2008	104,675	9,418	15,000	129,093	–	129,093
J Pfeiffer	2009	1,116	83,736	41,856	126,708	–	126,708
	2008	1,138	85,311	42,645	129,094	–	129,094
R Sexton	2009	98,580	10,881	22,320	131,781	9,868	141,649
	2008	100,435	11,087	22,740	134,262	11,937	146,199
G Venardos (from 30 April 2009)	2009	16,209	–	–	16,209	–	16,209
Directors who retired during or since the end of the financial year:							
R Harper (to 30 April 2009)	2009	106,568	9,591	–	116,159	–	116,159
	2008	118,442	10,660	–	129,102	–	129,102
K Spargo (to 30 April 2009)	2009	87,580	8,719	9,300	105,599	12,487	118,086
	2008	107,072	10,660	11,370	129,102	11,687	140,789
Total non-executive directors 2009		569,183	137,890	111,636	818,709	43,392	862,101
Total non-executive directors 2008		593,087	140,783	114,495	848,365	72,886	921,251

(1) Superannuation includes directors' fees sacrificed into superannuation funds.

(2) Share based payments represent directors' fees sacrificed into the Non-Executive Director Deferred Share Purchase Plan.

(3) Shareholder Approved Remuneration amounted to \$818,709 and was within the shareholder approved limit of \$850,000 per annum.

(4) Non-Executive Directors appointed after 13 April 2003 are not entitled to retirement benefits. Non-Executive Directors appointed prior to this date accrue retirement benefits. Where entitled, the provision is based on the average annual emoluments of Non-Executive Directors over the previous three years' of service. The benefit accrues after three years of service and varies according to the number of years of service, reaching twice the average annual emoluments after ten years of service. Refer to G.3 for further details. Ms Spargo was paid an amount of \$196,830 upon her resignation from the board.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

The Board of Directors has considered the policy regarding use of its auditors for non-audit services in the context of CLERP 9 and in accordance with the advice received from the Audit and Risk Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The directors are satisfied that the provision of non-audit services by the auditor, did not compromise the auditor's independence requirements of the Corporations Act for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

In relation to the consolidated entity, the amount paid for non-audit services to the auditor KPMG was \$440,929. Refer to Note 32 for further details with regard to remuneration paid to the Groups' Auditor.

Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* and which forms part of this report is set out on page 178.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the Directors.



Mr I Blair
Chairman of the Board

Melbourne, 31 August 2009.



Mr C Kelaher
Managing Director