



Life company registration condition

Life Insurance Act 1995

TO: IOOF LTD ABN 21 087 649 625 ('the Company')

SINCE

the Company was registered under section 21 of the Act on 1 July 1999, I, Suzanne Smith, Executive Director, Superannuation, under paragraph 22(1)(b) of the Act, vary the conditions imposed on the registration in the manner specified in the Schedule.

Dated: 30 March 2020

[Signed]

Suzanne Smith¹

Executive Director, Superannuation

Interpretation

Act means the *Life Insurance Act 1995*.

APRA means the Australian Prudential Regulation Authority.

¹ A delegate of APRA.

Schedule 1 – condition which is to be varied

1. The variation to the condition imposed on the Company's registration comes into force on 30 March 2020:

The existing additional condition which is to be varied:

12. By 31 January 2019 the Company must appoint an independent reviewer (or reviewers), to be approved by APRA and on terms approved by APRA, to report to APRA every three months, commencing from 31 March 2019 and continuing until advised in writing by APRA, in relation to the status and quality of compliance with the Additional Conditions.

The additional condition as varied is:

12. By 31 January 2019 the Company must appoint an independent reviewer (or reviewers), to be approved by APRA and on terms approved by APRA, to report to APRA every six months, or as otherwise advised by APRA in writing, commencing from 31 March 2019 and continuing until advised in writing by APRA, in relation to the status and quality of compliance with the Additional Conditions.

A decision under subsection 22(1) is a reviewable decision. If you are dissatisfied with this decision, you may request APRA to reconsider it in accordance with section 236 of the Act. The request for reconsideration must be made in writing, must set out the reasons for making the request, and must be given to APRA within 21 days after the day on which you first received notice of this decision, or within such further period as APRA allows. If you are dissatisfied with the outcome of APRA's reconsideration of the decision, you may, subject to the Administrative Appeals Tribunal Act 1975, apply to the Administrative Appeals Tribunal for review of the reconsidered decision.

APRA is required to publish this notice in the *Gazette*.

Schedule 2 - additional conditions which apply to the Company when this variation comes into force

Dedicated Business Function

1. The Company must implement and maintain a dedicated business function to support the Company from 31 March 2019. The dedicated business function may be shared with other AREs within the IOOF Group. The Company must ensure that the dedicated business function:
 - (a) supports the Company to fulfil its obligations by advocating for the interests of existing and prospective policy holders;
 - (b) assists with the development and implementation of a Strategy for the Company that is focused on the delivery of quality member outcomes, whilst having regard for the IOOF Group Strategy;
 - (c) coordinates day to day relationships with service providers and regulators on behalf of the Company, ensuring arms-length relationships with related parties;
 - (d) provides effective review, challenge and oversight of the reporting received from all of the Company's service providers;
 - (e) supports the Company in the design, implementation and oversight of an effective risk and compliance framework and culture; and
 - (f) considers any contagion or reputational impacts on the Company.
2. The Company must appoint and maintain an appropriately skilled and experienced head of the dedicated business function from 31 January 2019. The Company must notify APRA of the name, qualifications, experience and any other relevant details of any person proposed to be appointed as head of the dedicated business function at least 14 days prior to the appointment of the individual to the role.

Independence of the Board

3. At all times, the board of the Company must be chaired by an independent director.
4. At all times, the minimum number of independent directors of the Company must be at least a simple majority of the total number of directors.
5. The Company must implement and maintain a process for the nomination and appointment of directors which is independent from the IOOF Group and any of the IOOF Group's committees, with the exception of the AREs.
6. The Company must notify APRA of the name, qualifications, experience and any other relevant details of any director proposed to be appointed to the Company's board at least 14 days prior to the appointment of that independent director.

Board Audit and Risk Committee

7. The Company must have its own Board Audit Committee separate from the other entities of the IOOF Group that complies with Prudential Standard CPS 510 Governance in force from time-to-time.

8. The Company must have its own Board Risk Committee separate from the other entities of the IOOF Group that complies with Prudential Standard CPS 510 Governance in force from time-to-time.

Progress Reports

9. The Company must prepare and issue a report to APRA on the progress of the implementation of the Additional Conditions on a fortnightly basis. A single report may be provided on behalf of the Company and the other AREs within the IOOF Group.
10. The Company must meet with APRA on at least a monthly basis to report on compliance with the Additional Conditions.
11. The Company will use all reasonable endeavours to provide APRA with a complete and unedited copy of all board and sub-committee meeting minutes and relevant papers which document the discussions in relation to the Additional Conditions within 14 days of the meeting of the board or sub-committee, and it must provide the meeting minutes and relevant papers within 30 days of the meeting.

Independent Reviewer

12. By 31 January 2019 the Company must appoint an independent reviewer (or reviewers), to be approved by APRA and on terms approved by APRA, to report to APRA every six months, or as otherwise advised by APRA in writing, commencing from 31 March 2019 and continuing until advised in writing by APRA, in relation to the status and quality of compliance with these Additional Conditions.

Variations of Time

13. APRA may at any time vary in writing:
 - (a) the dates set out in paragraphs [1], [2] and [12] by which; and
 - (b) the time frames set out in paragraphs [2], [6], [9] to [12] within which, the Company is obliged to comply with the above conditions.

Interpretation

In these conditions:

Additional Conditions mean the conditions imposed on the Company's registration on 21 December 2018 as set out in items [1] to [13] above.

APRA means the Australian Prudential Regulation Authority.

AREs means the Company, I.O.O.F. Investment Management Limited ACN 006 695 021, Australian Executor Trustees Limited ACN 007 869 794 and IOOF Group Pty Ltd ACN 157 711 512.

Company means IOOF Ltd ACN 087 649 625.

Independent director means a person who is not:

- (a) a director;
- (b) an employee; or
- (c) a member of a committee,

of an entity within the IOOF Group which is not an ARE.

IOOF Group means IOOF Holdings Ltd ACN 100 103 722 and its subsidiaries.

Life company has the meaning given in section 16C of the Act.

Prudential matters has the meaning given in the Dictionary in the Schedule of the Act.