

Financial advice division

Bridges Financial Services Pty Ltd, a subsidiary of IOOF Holdings Ltd, is currently defending complaints made against the company in its capacity as Australian Financial Services Licensee. In aggregate these total approximately \$164,000. Professional indemnity insurance cover is held to meet any professional liabilities that may arise for individual claims above the applicable excess, the Group would be potentially liable for less than \$98,000 of these claims.

SMF Wealth Management Pty Ltd, a subsidiary of IOOF Holdings Ltd, is currently defending complaints made against the company in its capacity as Australian Financial Services Licensee. In aggregate these total approximately \$226,000. Professional indemnity insurance cover is held to meet any professional liabilities that may arise for individual claims above the applicable excess, the Group would be potentially liable for less than \$125,000 of these claims.

Wealth Managers Pty Ltd, a subsidiary of IOOF Holdings Ltd, is currently defending complaints made against the company in its capacity as Australian Financial Services Licensee. In aggregate these total approximately \$1,264,000. Professional indemnity insurance cover is held to meet any professional liabilities that may arise for individual claims above the applicable excess, the Group would be potentially liable for \$550,000 of these claims.

Consultum Financial Advisers Pty Ltd, a subsidiary of IOOF Holdings Ltd, is currently defending complaints made against the company in its capacity as Australian Financial Services Licensee. In aggregate these total approximately \$2,759,000. Professional indemnity insurance cover is held to meet any professional liabilities that may arise for individual claims above the applicable excess, the Group would be potentially liable for less than \$190,000 of these claims.

Lonsdale Financial Group Ltd, a subsidiary of IOOF Holdings Ltd, is currently defending complaints made against the company in its capacity as Australian Financial Services Licensee. In aggregate these total approximately \$2,850,000. Professional indemnity insurance cover is held to meet any professional liabilities that may arise for individual claims above the applicable excess, the Group would be potentially liable for less than \$278,000 of these claims.

Buyer of last resort facility

Bridges Financial Services Pty Ltd

Bridges Financial Services Pty Ltd (Bridges), a subsidiary of IOOF Holdings Ltd, has a contractual agreement with its planners to provide a put option "Buyer of Last Resort Facility" should a planner wish to sell their business and on the satisfaction of certain specific requirements.

The terms and conditions provide that where the specific requirements have been met, the purchase price payable for the business is a market price mutually agreed with Bridges. Where agreement with Bridges is not reached, the market price is to be determined by an independent price expert.

As at 30 June 2012, Bridges had received requests from planners which satisfied requirements to exercise its obligation. The resale value of such a business purchased may differ from the cost to Bridges. Where confirmation notices have been received Bridges has a fixed obligation to purchase the businesses, the revised aggregate value of this fixed obligation is \$1.6m.

Consultum Financial Advisers Pty Ltd

Consultum Financial Advisers Pty Ltd, a subsidiary of IOOF Holdings Ltd, and IOOF Holdings Ltd independently have contractual agreements with its planners to provide a put option "Buyer of Last Resort Facility" should a planner wish to sell their business and on the satisfaction of certain specific requirements.

The terms and conditions provide that where the specific requirements have been met, a predetermined purchase price will be payable for the business as agreed by all parties over a predetermined period. Where certain terms and conditions have not been met, the predetermined purchase price will be discounted accordingly. As at 30 June 2012, Consultum Financial Advisers Pty Ltd has not received any requests from planners that satisfy the specific requirements to exercise its obligation.

Other

Litigation is in process against two of the company's subsidiaries relating to a change of control clause wherein the counterparty is seeking relief, including damages. The information usually required by AASB 137 is not disclosed on the grounds that it can be expected to seriously prejudice the outcome of the litigation. The directors are of the opinion that the claim can be successfully defended by the Company.

Other contingent liabilities exist in relation to claims and/or possible claims which, at the date of signing these accounts, have not been resolved. An assessment of the likely loss to the Company and its controlled entities has been made in respect of the identified claims, on a claim by claim basis, and specific provision has been made where appropriate. The Group does not consider that the outcome of any other current proceedings, either individually or in aggregate, is likely to materially affect its operations or financial position.