

a member or an ex-officio member of each Board Committee. The independent Non-Executive Directors are Messrs Venardos, White, Dr Sexton and Ms Harvey. As at the date of this report, all Committees had conducted a performance evaluation by way of a self-assessment survey for the period. The Board's evaluation will take place in November of this year.

Remuneration and Nominations Committee

The Board has established a Group Remuneration and Nominations Committee. Terms of Reference have been formalised which include responsibility for nominating and recommending Independent Directors and the CEO. The Committee ensures that the Managing Director's and Senior Management remuneration arrangements are performance based, correspond to the prevailing market levels and are consistent with the principles for sound compensation practices including in management succession planning and the approval of all short term and long term plans across the IOOF Group.

The Committee meets at a minimum four times a year and comprises Dr Sexton (Chair) and Messrs Griffiths and Venardos.

Principle 3: Promote ethical and responsible decision making

The Board has developed a Code of Conduct which is designed to ensure a high standard of corporate and individual behaviour. Each employee is to read and accept the Code of Conduct as part of their induction and provide annual affirmation thereafter.

Directors, executives and all employees are aware of their responsibilities under the terms of their appointment or contract of employment. The Code provides that Directors and executives must act honestly, in good faith and in the best interests of the company; use due care, skill and diligence in fulfilling

their duties; use the power of their position; not allow personal interests, or those of associates, to conflict with interests of the company; exercise independent judgement and maintain confidentiality. A copy of this policy is available on the company's website.

Directors, officers and employees are subject to the Corporations Act 2001 in relation to restrictions applying to the acquisition or disposal of securities of the Company if they are in possession of insider information. Directors, officers and employees are restricted from trading in the Company's securities during certain blackout periods as per the Securities Trading Policy which is available on the internet.

In addition, Directors have entered into an agreement with the Company which requires approval before trading in the Company's securities and on-going disclosure to the Company of any change in the Director's interest in securities within three business days of the change occurring.

Principle 4: Safeguard integrity in financial reporting

The Board of IOOF receives regular reports about the financial condition and operational performance of IOOF and its controlled entities. The Managing Director and Chief Financial Officer report in writing to the Board that the consolidated financial statements of IOOF and each of the subsidiaries for each half year and full year present a true and fair view, in all material respects of the Group's financial condition and are in accordance with accounting standards.

In addition, they report on the company's risk management system (financial; strategic and operational) and its effectiveness. The Board has established an Audit Committee to provide assistance to the Board in accordance with established Terms of Reference.

The Audit Committee meets at least four times per year. The Committee comprises Non-Executive Directors with a majority of Independent Directors. The Chair of the Committee is not the Chairman of the Board. The principal functions of the Audit Committee are to review the half and full year financial report, review accounting policies, appoint the internal and external auditors and to ensure the effectiveness of IOOF's systems of accounting, internal controls and risk management. The Board has adopted a formal policy on the provision of non-audit services.

The members of the Audit Committee are Ms Harvey (Chair), Messrs Griffiths and Dr Sexton.

Principle 5: Make timely and balanced disclosure

The Board is committed to keeping its shareholders and the market fully informed of major developments that may have an impact on the Company. Procedures are in place to identify matters that are likely to have a material effect on the price of the Company's securities and to ensure those matters are notified to the Australian Securities Exchange (ASX) in accordance with Listing Rule disclosure requirements.

The company has a continuous disclosure policy which is available to all employees. The IOOF Continuous Disclosure Policy is designed to meet best practice, ensuring all interested parties have an equal opportunity to obtain information which is issued by the Company. The Company Secretary is responsible for maintaining a register of information referred to her or the Managing Director that a Director, executive or employee has identified as a potential item for disclosure.

All disclosure is actioned as soon as advised.

The Company Secretary is responsible for all communications with the ASX.

A copy of this policy is available on the company's website.