

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme SFG Australia Limited

ACN/ARSN 006 490 259

1. Details of substantial holder (1)

Name IOOF Holdings Limited and each of its related bodies corporate listed in Annexure A (each, an "IOOF Subsidiary")

ACN/ARSN (if applicable) 100 103 722 (see Annexure A)

The holder became a substantial holder on 16/05/2014

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	115,057,142	115,057,142	15.66%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
IOOF Holdings Limited	Relevant interest arising under section 608(8) of the <i>Corporations Act 2001</i> (Cth) pursuant to entry into call option deeds annexed as Annexure B.	115,057,142 fully paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
IOOF Holdings Limited	Grace Genevieve Bailey	Grace Genevieve Bailey	16,561,635 fully paid ordinary shares
	Kevin Christopher Bailey	Kevin Christopher Bailey	8,790,331 fully paid ordinary shares
	Kevin Bailey Corporation Pty Ltd as trustee for the Bailey Superannuation Account	Kevin Bailey Corporation Pty Ltd as trustee for the Bailey Superannuation Account	7,765,543 fully paid ordinary shares
	Kevin Christopher Bailey and Grace Genevieve Bailey as trustees for the Bailey Family Trust	Kevin Christopher Bailey and Grace Genevieve Bailey as trustees for the Bailey Family Trust	8,454,928 fully paid ordinary shares
	Kevin Bailey, Wayne Dowd and Grace Bailey as trustees for the Kevin Bailey Charitable Trust	Kevin Bailey, Wayne Dowd and Grace Bailey as trustees for the Kevin Bailey Charitable Trust	4,060,000 fully paid ordinary shares

IOOF Holdings Limited	Sam Gannon Pty Ltd as trustee for The J B Gannon Family Trust	Sam Gannon Pty Ltd as trustee for The J B Gannon Family Trust	33,899,099 fully paid ordinary shares
IOOF Holdings Limited	James Patrick Kilkenny	James Patrick Kilkenny	3,901,409 fully paid ordinary shares
	James Patrick Kilkenny and Alison Margaret Kilkenny as trustees for The Kilkenny Family Trust	James Patrick Kilkenny and Alison Margaret Kilkenny as trustees for The Kilkenny Family Trust	2,966,432 fully paid ordinary shares
	James Patrick Kilkenny and Alison Margaret Kilkenny as trustees for the Kilkenny Rose Superfund	James Patrick Kilkenny and Alison Margaret Kilkenny as trustees for the Kilkenny Rose Superfund	2,142,856 fully paid ordinary shares
IOOF Holdings Limited	Anthony Kevin Fenning	Anthony Kevin Fenning	26,514,909 fully paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-Cash	
IOOF Holdings Limited	16/05/14	See the terms of the call option deeds annexed as Annexure B.	See the terms of the call option deeds annexed as Annexure B.	115,057,142 fully paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
IOOF Holdings Limited	Level 6, 161 Collins Street, Melbourne 3000
Grace Genevieve Bailey	7 Linacre Road, Hampton, Victoria 3188
Kevin Christopher Bailey	7 Linacre Road, Hampton, Victoria 3188
Kevin Bailey Corporation Pty Ltd as trustee for the Bailey Superannuation Account	7 Linacre Road, Hampton, Victoria 3188
Kevin Christopher Bailey and Grace Genevieve Bailey as trustees for the Bailey Family Trust	7 Linacre Road, Hampton, Victoria 3188
Kevin Bailey, Wayne Dowd and Grace Bailey as trustees for the Kevin Bailey Charitable Trust	7 Linacre Road, Hampton, Victoria 3188
Sam Gannon Pty Ltd as trustee for The J B Gannon Family Trust	21 Tristania Rise, Duncraig, Western Australia 6023
James Patrick Kilkenny	52 Callabonna Street, Westlake, Queensland 4074
James Patrick Kilkenny and Alison Margaret Kilkenny as trustees for The Kilkenny Family Trust	52 Callabonna Street, Westlake, Queensland 4074
James Patrick Kilkenny and Alison Margaret Kilkenny as trustees for the Kilkenny Rose Superfund	52 Callabonna Street, Westlake, Queensland 4074
Anthony Kevin Fenning	34 James Cook Island, Sylvania Waters, New South Wales 2223
Each IOOF Subsidiary	See Annexure A

Signature

print name Danielle Corcoran

Capacity Company Secretary

sign here



date 20 / 05 / 14

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
 - (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
 - (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
 - (4) The voting shares of a company constitute one class unless divided into separate classes.
 - (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
 - (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
 - (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
 - (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is annexure A of 4 pages referred to in Form 603, Notice of initial substantial holder dated 20 May 2014.



Danielle Corcoran
Company Secretary

IOOF Subsidiary	ACN/ ARSN	Address
A.C.N. 003 331 726 Pty Ltd	003 331 726	Level 22, 207 Kent Street Sydney NSW 2000
AB Hurstville Pty Ltd	156 292 858	Level 22, 207 Kent Street Sydney NSW 2000
Accountplan Pty Ltd	010 122 899	169 Liverpool Street Hobart TAS 7000
Accountplan Taxation Services Pty Ltd	116 363 010	169 Liverpool Street Hobart TAS 7000
AET PAF Pty Ltd	160 274 251	Level 6, 161 Collins Street Melbourne VIC 3000
AET SPV Management Pty Ltd	088 261 349	Level 22, 207 Kent Street Sydney NSW 2000
AET Structured Finance Services Pty Ltd	106 424 088	Level 22, 207 Kent Street Sydney NSW 2000
AETOML Nominees Pty Ltd	122 675 281	255 George Street Sydney NSW 2000
Australian Executor Trustees (Canberra) Limited	008 428 386	Level 22, 207 Kent Street Sydney NSW 2000
Australian Executor Trustees (NSW) Limited	000 329 706	Level 22, 207 Kent Street Sydney NSW 2000
Australian Executor Trustees (SA) Limited	007 870 644	Level 22, 207 Kent Street Sydney NSW 2000
Australian Executor Trustees Limited	007 869 794	Level 22, 207 Kent Street Sydney NSW 2000
Australian Wealth Management Limited	111 116 511	Level 22, 207 Kent Street Sydney NSW 2000
Austselect Pty Ltd	009 543 800	Level 6, 161 Collins Street Melbourne VIC 3000
Avenue Capital Holdings Pty Ltd	095 099 719	Level 6, 161 Collins Street Melbourne VIC 3000
Bagot's Executor & Trustee Company Limited	007 869 829	Level 22, 207 Kent Street Sydney NSW 2000
BD Shepparton Pty Ltd	125 003 661	Level 22, 207 Kent Street Sydney NSW 2000
Beaglemoat Nominees Pty Ltd	000 773 722	255 George Street Sydney NSW 2000
Bridges Financial Planning Pty Ltd	099 454 092	Level 22, 207 Kent Street Sydney NSW 2000
Bridges Financial Services Group Pty Ltd	094 238 829	Level 22, 207 Kent Street Sydney NSW 2000
Bridges Financial Services Pty Ltd	003 474 977	Level 22, 207 Kent Street Sydney NSW 2000
Bridges Nominee Pty Ltd	055 729 701	Level 22, 207 Kent Street Sydney NSW 2000
Caltowie Investments Pty Ltd	116 461 164	255 George Street Sydney NSW 2000
CK Brisbane Pty Ltd	133 533 561	Level 22, 207 Kent Street Sydney NSW 2000
CM Darwin Pty Ltd	159 960 424	Level 22, 207 Kent Street Sydney NSW 2000

Consultum Financial Advisers Pty Ltd	006 373 995	Level 6, 161 Collins Street Melbourne VIC 3000
Contango Nominees Pty Ltd	000 208 926	255 George Street Sydney NSW 2000
CP Wodonga Pty Ltd	163 414 999	Level 22, 207 Kent Street Sydney NSW 2000
DD Charlestown Pty Ltd	133 633 806	Level 22, 207 Kent Street Sydney NSW 2000
Deakin Financial Services Pty Ltd	084 676 871	Level 6, 161 Collins Street Melbourne VIC 3000
DKN Distribution Solutions Pty Ltd	078 950 651	Level 6, 161 Collins Street Melbourne VIC 3000
DKN Financial Group Pty Ltd	008 112 150	Level 6, 161 Collins Street Melbourne VIC 3000
DKN Management Pty Ltd	005 441 216	Level 6, 161 Collins Street Melbourne VIC 3000
DKN Stakeholders Pty Ltd	080 062 273	Level 6, 161 Collins Street Melbourne VIC 3000
Executive Wealth Management Financial Services Pty Ltd	078 629 973	Level 22, 207 Kent Street Sydney NSW 2000
Executor Trustee Australia Limited	007 869 276	Level 22, 207 Kent Street Sydney NSW 2000
fi360 Pty Ltd	081 114 463	Level 6, 161 Collins Street Melbourne VIC 3000
Fiduciary Analytics (Australasia) Pty Ltd	009 344 325	Level 6, 161 Collins Street Melbourne VIC 3000
Financial Lifestyle Partners (Doncaster) Pty Ltd	112 182 091	Level 6, 161 Collins Street Melbourne VIC 3000
Financial Partnership Pty Ltd	007 103 871	Level 6, 161 Collins Street Melbourne VIC 3000
Group Investments Nominee Pty Ltd	116 362 826	Level 6, 161 Collins Street Melbourne VIC 3000
Holiday Coast Wealth Management Pty Ltd	098 599 378	Level 22, 207 Kent Street Sydney NSW 2000
IOOF Alliances Pty Ltd	103 365 091	Level 6, 161 Collins Street Melbourne VIC 3000
IOOF Finance Choice Pty Ltd	129 728 963	Level 6, 161 Collins Street Melbourne VIC 3000
IOOF Foundation	505 198 156	Level 6, 161 Collins Street Melbourne VIC 3000
IOOF Global One Pty Ltd	093 415 251	Level 6, 161 Collins Street Melbourne VIC 3000
IOOF Group Limited	157 711 512	Level 6, 161 Collins Street Melbourne VIC 3000
IOOF Holdings Limited	100 103 722	Level 6, 161 Collins Street Melbourne VIC 3000
IOOF Holdings Trustee Pty Ltd	101 031 850	Level 6, 161 Collins Street Melbourne VIC 3000
IOOF Investment Holdings Pty Ltd	006 836 862	Level 6, 161 Collins Street Melbourne VIC 3000
IOOF Investment Management Limited	006 695 021	Level 6, 161 Collins Street Melbourne VIC 3000
IOOF Life Pty Ltd - Shareholder Fund	006 718 707	Level 6, 161 Collins Street Melbourne VIC 3000
IOOF Life Pty Ltd - Statutory Fund	006 718 707	Level 6, 161 Collins Street Melbourne VIC 3000
IOOF Limited	087 649 625	Level 6, 161 Collins Street Melbourne VIC 3000
IOOF New Zealand Limited	76718997	23 Arrenway Drive Auckland, New Zealand 0632
IOOF New Zealand Limited (AUD)	9429 037 451 912	23 Arrenway Drive Auckland, New Zealand 0632

IOOF Service Co Pty Ltd	99 074 572 919	Level 6, 161 Collins Street Melbourne VIC 3000
IOOF Services Pty Ltd	127 934 856	Level 6, 161 Collins Street Melbourne VIC 3000
JK Rye Pty Ltd	128 681 461	Level 22, 207 Kent Street Sydney NSW 2000
KE Sunshine Coast Pty Ltd	133 533 801	Level 22, 207 Kent Street Sydney NSW 2000
Lonsdale Financial Group Limited	006 637 225	Level 6, 161 Collins Street Melbourne VIC 3000
Minnett Nominees Pty Ltd	000 194 589	255 George Street Sydney NSW 2000
My Adviser Pty Ltd	065 370 354	Suite 2, 193 Ferry Road Southport Qld 4215
NS Singleton Pty Ltd	133 633 762	Level 22, 207 Kent Street Sydney NSW 2000
NT Homebush Pty Ltd	127 854 817	Level 22, 207 Kent Street Sydney NSW 2000
Ord Minnett Financial Planning Pty Ltd	066 414 613	255 George Street Sydney NSW 2000
Ord Minnett Holdings Pty Ltd	062 323 728	255 George Street Sydney NSW 2000
Ord Minnett Hong Kong	-	1801 Ruttonjee House, 11 Duddell Street, Central, Hong Kong
Ord Minnett Limited	002 733 048	255 George Street Sydney NSW 2000
Ord Minnett Management Limited	002 262 240	255 George Street Sydney NSW 2000
Ord Minnett Prime Nominees Pty Ltd	122 259 321	255 George Street Sydney NSW 2000
Partnership Financial Services Pty Ltd	009 015 874	255 George Street Sydney NSW 2000
Perennial Fixed Interest Partners Pty Ltd	099 336 357	Level 24, 303 Collins Street Melbourne VIC 3000
Perennial Growth Management Pty Ltd	099 336 384	Level 24, 303 Collins Street Melbourne VIC 3000
Perennial International Equities Management Pty Ltd	099 336 375	Level 24, 303 Collins Street Melbourne VIC 3000
Perennial Investment Partners (US) Inc	-	1010 Washington Blvd, Stamford CT 06901, United States
Perennial Investment Partners Asia Limited	082 790 047	Level 24, 303 Collins Street Melbourne VIC 3000
Perennial Investment Partners Investment Funds Plc	-	Level 24, 303 Collins Street Melbourne VIC 3000
Perennial Investment Partners Limited	087 901 620	Level 24, 303 Collins Street Melbourne VIC 3000
Perennial Real Estate Investments Pty Ltd	117 913 685	Level 24, 303 Collins Street Melbourne VIC 3000
Perennial Value Management Limited	090 879 904	Level 24, 303 Collins Street Melbourne VIC 3000
Perennial Value Small Companies Pty Ltd	125 823 207	Level 24, 303 Collins Street Melbourne VIC 3000
Perennial Value Wealth Defender Pty Ltd	163 893 114	Level 24, 303 Collins Street Melbourne VIC 3000
Plan B Administration Pty Ltd	055 138 942	Level 6, 161 Collins Street Melbourne VIC 3000
Plan B Group Holdings Pty Ltd	124 951 337	Level 6, 161 Collins Street Melbourne VIC 3000
Plan B Insurance Brokers Pty Ltd	009 311 611	Level 6, 161 Collins Street Melbourne VIC 3000
Plan B Superannuation Services Pty Ltd	150 409 920	Level 6, 161 Collins Street Melbourne VIC 3000

Plan B Trustees Limited	054 737 156	Level 6, 161 Collins Street Melbourne VIC 3000
Plan B Wealth Management Limited	052 834 634	Level 6, 161 Collins Street Melbourne VIC 3000
Questor Financial Services Limited	078 662 718	Level 22, 207 Kent Street Sydney NSW 2000
Select Managed Funds Limited	009 529 471	Level 6, 161 Collins Street Melbourne VIC 3000
Sentinel Adviser Services Pty Ltd	085 693 894	Level 6, 161 Collins Street Melbourne VIC 3000
SMF Funds Management Pty Ltd	009 564 354	169 Liverpool Street Hobart TAS 7000
SMF Pty Ltd	116 362 924	169 Liverpool Street Hobart TAS 7000
SMF SuperOptions Pty Ltd	004 778 545	169 Liverpool Street Hobart TAS 7000
SMF Wealth Management Pty Ltd	081 257 221	169 Liverpool Street Hobart TAS 7000
Strategy Plus Financial Planning Pty Ltd	894 554 396	169 Liverpool Street Hobart TAS 7000
Tower Austrust Building Pty Ltd	071 578 802	Level 22, 207 Kent Street Sydney NSW 2000
United Funds Management Pty Ltd	073 186 419	Level 6, 161 Collins Street Melbourne VIC 3000
Wealth Managers Pty Ltd	086 558 134	169 Liverpool Street Hobart TAS 7000

Annexure B

This is annexure B of 144 pages referred to in Form 603, Notice of initial substantial holder dated 20 May 2014.

A handwritten signature in black ink, appearing to read 'Danielle Corcoran', with a long horizontal flourish extending to the right.

Danielle Corcoran
Company Secretary

Call Option Deed

Dated 16 MAY 2014

IOOF Holdings Limited (ACN 100 1303 722) ("**IOOF**")

Grace Genevieve Bailey

Kevin Christopher Bailey

Kevin Bailey Corporation Pty Ltd as trustee for the Bailey
Superannuation Account

Kevin Christopher Bailey and Grace Genevieve Bailey as trustees for the
Bailey Family Trust

Kevin Bailey, Wayne Dowd and Grace Bailey as trustees for the Kevin
Bailey Charitable Trust

(each a "**Grantor**")

King & Wood Mallesons

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DX 101 Melbourne

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Call Option Deed

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Call Option Deed

Details

Parties	IOOF and each of the Grantors	
IOOF	Name	IOOF Holdings Limited
	ACN	100 1303 722
	Address	Level 6 161 Collins Street Melbourne 3000
	Telephone	(03) 8614 4746
	Attention	Gary Riordan
Grantors	Name	Grace Genevieve Bailey
	Address	7 Linacre Road Hampton Victoria 3188
	Name	Kevin Christopher Bailey
	Address	7 Linacre Road Hampton Victoria 3188
	Name	Kevin Bailey Corporation Pty Ltd as trustee for the Bailey Superannuation Account
	Address	7 Linacre Road Hampton Victoria 3188
	Name	Kevin Christopher Bailey and Grace Genevieve Bailey as trustees for the Bailey Family Trust
	Address	7 Linacre Road Hampton Victoria 3188
	Name	Kevin Bailey, Wayne Dowd and Grace Bailey as trustees for the Kevin Bailey Charitable Trust
	Address	7 Linacre Road Hampton Victoria 3188

Recitals	A	The Company intends to propose the Scheme pursuant to which IOOF will acquire all the ordinary shares of the Company.
	B	Each Grantor has agreed to grant a Call Option to IOOF on the terms and conditions set out in this deed.
	C	IOOF has agreed to grant a Grantor Call Option to each Grantor on the terms and conditions set out in this deed.

Governing law	New South Wales
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Date of agreement	See Signing page
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Call Option Deed

General terms

1 Definitions and interpretation

1.1 Deed components

This deed includes any schedule.

1.2 Definitions

The meanings of the terms used in this deed are set out below.

Associate has the meaning given in section 12 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates.

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).

Board means the board of directors of the Company.

Business Day means a day in Sydney that is not a Saturday, Sunday or public holiday and on which banks and ASX are open for trading.

Call Option means, in respect of a Grantor, the call option granted by that Grantor to IOOF under clause 2.1.

Call Option Notice means a notice in the form set out in Schedule 1 to this deed.

Call Option Period means the period commencing on the date of this deed and ending on the End Date.

Cash Consideration Component means the amount of cash per Share (if any) that IOOF proposes to pay under the Superior Proposal or, if there are alternative forms of consideration under the Superior Proposal, the amount of cash per Share (if any) under the alternative elected or deemed to have been elected by the relevant Grantor under clause 3.7.

CHESS means the Clearing House Electronic Subregistry System operated by ASX Settlement Pty Ltd (ACN 008 504 532) and ASX Clear Pty Ltd (ACN 001 314 503).

Company means SFG Australia Limited (ACN 006 490 259).

Company Group means the Company and its Subsidiaries as at the date of this deed.

Competing Proposal means any proposal, agreement, arrangement or transaction, which, if entered into or completed, would mean a Third Party (either alone or together with any Associate) would:

- (a) directly or indirectly acquire a Relevant Interest in, or have the right to acquire, a legal, beneficial or economic interest in, or control of, more than 20% of the Shares of the Company;
- (b) acquire Control of the Company;
- (c) otherwise acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an exclusive economic interest in all or a material part of the Company's business or assets or the business or assets of the Company's Group;
- (d) otherwise acquire (whether directly or indirectly) or merge with the Company; or
- (e) enter into any agreement, arrangement or understanding requiring the Company to abandon, or otherwise fail to proceed with, the Transaction,

whether by way of takeover bid, scheme of arrangement, security holder approved acquisition, capital reduction or buy back, sale or purchase of shares, securities or assets, global assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), or other transaction or arrangement.

Completion means the settlement of the sale of Option Shares in accordance with clause 4.

Completion Date means the date which is 5 Business Days after the later of the date on which a Call Option is exercised in accordance with clause 3.1.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Covenantor means Kevin Christopher Bailey.

Court means the Federal Court of Australia, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by IOOF and the Company.

Deal means:

- (i) sell, assign, transfer, declare a trust over or otherwise dispose of;
- (ii) agree or offer to sell, assign, transfer or otherwise dispose of;
- (i) enter into any option which, if exercised, enables or requires the person to sell, assign, transfer, declare a trust over or otherwise dispose of;
- (ii) enter into any swap or any other form of synthetic instrument or arrangement which provides the relevant Grantor or the counterparty economic exposure to the Shares; or
- (iii) create or agree or offer to create or permit to be created any interest or Encumbrance.

Effective means when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Encumbrance means a mortgage, charge, pledge, lien, hypothecation or third party interest of any kind whatsoever, or an agreement to create any of them or to allow any of them to exist.

End Date means the earliest to occur of:

- (a) 31 December 2014;
- (b) the date the Implementation Agreement is terminated in accordance with its terms; and
- (c) the implementation date of the Scheme,

or such other date as agreed in writing by the parties.

Exercise Price means, in respect of each Option Share, the consideration per Share that IOOF proposes to pay under the Superior Proposal.

Exercise Adjustment means the payments referred to in clause 5.2.

Grantor Acceptance Deed means a notice in the form set out in Schedule 3 to this deed.

Grantor Completion Date means the date which is 5 Business Days after the date on which a Grantor Call Option is exercised in accordance with clause 6.1.

Grantor Call Option means, in respect of a Grantor, the option to purchase the Option Shares granted by IOOF in favour of that Grantor under clause 6.1.

Grantor Exercise Period means the period:

- (a) commencing on the date on which an IOOF Takeover Bid becomes unconditional provided that, on that date, the Value per Share offered under that IOOF Takeover Bid is greater than the Exercise Price; and
- (b) ending 3 Business Days after the date specified in paragraph (a) above.

Grantor IOOF Shares means, in respect of a Grantor, the IOOF Shares issued to that Grantor pursuant to the exercise of a Call Option under clause 3.1.

Grantor Option Notice means a notice in the form set out in Schedule 2 to this deed.

Grantor Purchase Price means:

- (a) the amount equal to:
 - (i) the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) of any Sold IOOF Shares;
 - (ii) *plus* the Value of the Scrip Consideration Component of the Exercise Price as at the relevant Grantor Completion Date in respect of any Grantor IOOF Shares still held by the relevant Grantor as at the relevant Grantor Completion Date *multiplied by* the number of Grantor IOOF Shares still held by the relevant Grantor as at the relevant Grantor Completion Date;
- (b) *plus* the Cash Consideration Component of the Exercise Price multiplied by the number of relevant Option Shares;

- (c) *plus* the amount of all adjustment payments which have previously been paid by IOOF to the relevant Grantor under clause 5.2 other than to the extent already taken into account in paragraph (a)(i); and
- (d) *minus* the cash value of any Rights received by IOOF after the Completion Date in respect of the relevant Option Shares.

Group means the Company and each of its Subsidiaries.

Implementation Deed means the scheme implementation deed dated on or around the date of this deed between the Company and IOOF relating to the implementation of the Scheme.

IOOF Shares means fully paid ordinary shares in the capital of IOOF.

IOOF Takeover Bid means a Takeover Bid made by IOOF, or any Associate of IOOF that is not a Third Party.

New IOOF Shares means a fully paid ordinary share in IOOF to be issued to Scheme Shareholders under the Scheme.

Non-Retained IOOF Shares means, in respect of an Exercise Adjustment, the number of Grantor IOOF Shares equal to:

- (a) the number of Grantor IOOF Shares held by the relevant Grantor as at the date of the relevant Exercise Adjustment;
- (b) *minus* the number of Retained IOOF Shares (if any).

Option Fee means A\$10.00.

Option Shares means, in respect of a Grantor, that number of Shares set out opposite that Grantor's name in Schedule 4.

Overall Value per Share means, in respect of an Exercise Adjustment:

- (a) the proceeds of all sales by or on behalf of the relevant Grantor of its Grantor IOOF Shares (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) whether in respect of Exercise Adjustments performed under clauses 5.1(b), 5.1(c) or 5.1(d) or otherwise and including its Sold IOOF Shares;
- (b) *plus* the volume weighted average price (excluding all off-market transactions) of IOOF Shares on ASX over the 15 trading days ending on the day prior to the relevant date multiplied by the number of relevant Retained IOOF Shares (if any);
- (c) *plus* the Cash Consideration Component of the Exercise Price multiplied by the number of relevant Option Shares,

divided by the number of relevant Option Shares.

Purchase Consideration means the aggregate of the Cash Consideration Component and the Scrip Consideration Component.

Restraint Area has the meaning given in clause 7(k).

Restraint Period has the meaning given in clause 7(j).

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Retained IOOF Shares means, in respect of an Exercise Adjustment, that number of Grantor IOOF Shares notified by the relevant Grantor to IOOF under clause 5.2(a).

Rights means all accretions and rights attaching to or arising from the Option Shares (including without limitation, all rights to receive dividends, returns of capital and other distributions declared or paid and to receive or subscribe for shares, notes, options or other securities or entitlements) declared, paid or issued by the Company after the Completion Date.

Sale Value per Share means the proceeds of all sales (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) in respect of an Exercise Adjustment performed under clauses 5.1(b), 5.1(c) or 5.1(d) divided by the number of relevant Option Shares.

Scheme means a transaction proposed by the Company to its shareholders pursuant to Part 5.1 of the *Corporations Act 2001* pursuant to which IOOF or any of its related bodies corporate proposes to acquire all of the shares in the Company.

Scheme Meeting means the meeting of the Company's shareholders ordered by the Court to be convened under section 411(1) of the *Corporations Act* to implement the Scheme.

Scrip Consideration Component means such number of New IOOF Shares (if any) for each Share that IOOF proposes to issue under the Superior Proposal or, if there are alternative forms of consideration under the Superior Proposal, such number of New IOOF Shares (if any) under the alternative elected or deemed to have been elected by the relevant Grantor under clause 3.7.

Share means an ordinary share in the capital of the Company.

Sold IOOF Shares means any Grantor IOOF Shares sold by the relevant Grantor on the financial market conducted by ASX before the time any Exercise Adjustment is due to be made under clause 5.2(b), 5.2(c) or 5.2(d).

Subsidiary has the meaning given in the *Corporations Act*.

Superior Proposal means a proposal that is provided by IOOF to the Board, in response to a Competing Proposal and which the Board determines in good faith is more favourable to the Company's shareholders than the Competing Proposal.

Takeover Bid means a takeover bid under Chapter 6 of the *Corporations Act* to acquire at least 50% of the issued Shares.

Third Party means a person other than IOOF and any Associate of IOOF (except any person who is an Associate of IOOF merely because IOOF or any of its related bodies corporate has agreed to dispose of Shares to that person or has agreed to vote in favour of or otherwise support any Competing Proposal by that person).

Transaction means the acquisition of the Company through implementation of the Scheme.

Value means in relation to any consideration (including the Exercise Price) at any time:

- (i) if all or any part of the consideration is a cash sum in A\$, that A\$ value;

- (ii) if the consideration is a cash sum denominated in a currency other than Australian dollars, the value of the consideration will be based on its Australian dollar equivalent applying the WM/Reuters Closing Spot Exchange Rate published at 4pm London time on the relevant date;
- (iii) if all or any part of the consideration is in a form of securities in an entity listed on any securities exchange, the consideration will be valued based on the volume weighted average price (excluding all off-market transactions) of the relevant securities over the 5 trading days ending on the day prior to the relevant date on the primary exchange on which the relevant securities are quoted. If that price is quoted in a currency other than Australian dollars that price must be converted into Australian dollars applying the WM/Reuters Closing Spot Exchange Rate published at 4pm London time on the relevant date;
- (iv) in any other case, the value in A\$:
 - (A) as agreed by the relevant Grantor and IOOF (acting reasonably); or
 - (B) in the absence of agreement, as determined by an independent expert (acting as expert and not arbitrator and on behalf of both the relevant Grantor and IOOF whose decision will be, in the absence of manifest error, final and binding on both the relevant Grantor and IOOF) the identity of which is agreed by the relevant Grantor and IOOF (or in the absence of agreement, such person as nominated by the National President of the Institute of Chartered Accountants).

1.3 Interpretation

In this deed, headings are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any government agency;
- (e) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to this deed, and a reference to this deed includes any attachment, exhibit and schedule;
- (f) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

- (g) a reference to any document (including this deed) is to that document as varied, novated, ratified or replaced from time to time;
- (h) the word 'includes' in any form is not a word of limitation;
- (i) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (j) a reference to any time is to the time in Sydney, Australia;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this deed; and
- (l) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Contra proferentem excluded

No term or condition of this deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this deed or a provision of it.

2 Call Option

2.1 Call Option

- (a) In consideration of the payment of the Option Fee, each Grantor irrevocably grants a Call Option to IOOF.
- (b) Each Grantor acknowledges receipt of an Option Fee.
- (c) Each Grantor irrevocably grants to IOOF the right to require the Grantor to sell the relevant Option Shares to IOOF for the Exercise Price and on and subject to the terms and conditions of this deed.

2.2 No dealing in Option Shares

From the date of this deed until:

- (a) if a Call Option Notice has not been served, the end of the Call Option Period;
- (b) if a Call Option Notice has been served and this deed has not been terminated in accordance with clause 9.1(b), the relevant Completion Date; or
- (c) if a Call Option Notice has been served and this deed has been terminated in accordance with clause 9.1(b), the date of termination of this deed,

each Grantor may not Deal in the relevant Option Shares except as contemplated under this deed.

2.3 Right to dispose of Shares not affected

Nothing in this deed restricts or will be taken to restrict a Grantor's right to Deal in Shares, other than the relevant Option Shares, with another party.

2.4 Right to vote Shares not affected

Nothing in this deed will be taken to restrict:

- (b) the ability of a Grantor to exercise the votes attaching to any Share (including any Option Share) in a Grantor's absolute discretion before a Call Option is exercised in respect of the relevant Option Shares; and
- (c) a Grantor's right to vote for or against any resolution proposed in relation to the Company (including any resolution in relation to a Scheme).

3 Exercise

3.1 Call Option Exercise

- (a) IOOF may only exercise a Call Option if:
 - (i) there is a Competing Proposal; and
 - (ii) a Superior Proposal has been publicly announced by the Board (**Superior Proposal Announcement**).
- (b) If the pre-conditions to exercise in clause 3.1(a) have been fulfilled, IOOF may exercise a Call Option by signing and delivering to the relevant Grantor a Call Option Notice at any time prior to the end of the 20th Business Day after the date on which the Superior Proposal Announcement was made.
- (c) If a Call Option is not exercised during the period referred to in clause 3.1(b) the Call Option will lapse.

3.2 Call Option Notice

A Call Option may be exercised, and a Call Option Notice may be given, once in respect of all of the relevant Option Shares.

3.3 Time of exercise

A Call Option is taken to have been exercised at the time when a signed Call Option Notice is delivered in accordance with clause 3.1.

3.4 Sale and purchase

Subject to clause 9.1(b), upon exercise of a Call Option, the Grantor agrees to sell and transfer to IOOF, and IOOF agrees to purchase from the Grantor, all of the relevant Option Shares for the Exercise Price on the terms and conditions of this deed.

3.5 Transfer of Option Shares

The relevant Option Shares must be transferred:

- (a) free from any Encumbrances; and

- (b) must include only such dividend rights or other entitlements, attached or accruing to them on and from the date of exercise of the relevant Call Option, to which IOOF would have been entitled if the relevant Option Shares were acquired under any Superior Proposal and not under this deed.

3.6 Compensation for dividends and other entitlements after Completion

To the extent that IOOF becomes entitled to dividend rights or other entitlements in respect of Option Shares after Completion to which a Grantor would have been entitled if the relevant Option Shares were acquired under any Superior Proposal and not under this deed, IOOF must pay the relevant Grantor a cash amount equal to the Value of the dividend or other entitlement plus, in the case of any dividend, a cash amount equal to the imputation credit that would have been attributable to the dividend based on the franking percentage that would have been applicable under the Superior Proposal, promptly after receipt by IOOF.

3.7 Election Notice

If any Superior Proposal provides for alternative forms of consideration, at least 2 Business Days before the Completion Date, each Grantor may provide to IOOF a written election in relation to the alternative form of consideration it wishes to receive under clause 4.4. If a Grantor does not make an election in accordance with this clause 3.7, then the relevant Grantor will be deemed to have elected the alternative which contains the highest amount of cash per Share.

4 Completion

4.1 Time and place of Completion

If a Call Option is exercised, completion of the sale and purchase of the relevant Option Shares will take place at 10.00am on the Completion Date at the offices of King & Wood Mallesons in Sydney or such other time and place as the Grantor and IOOF may agree.

4.2 Steps to occur at Completion

On the relevant Completion Date:

- (a) the Grantor must transfer or procure the transfer of the relevant Option Shares to IOOF (or to any related body corporate nominated by IOOF); and
- (b) IOOF and the relevant Grantor must execute and deliver all necessary documents and give all necessary instruments to ensure that all right, title and interest in the Option Shares passes from the relevant Grantor to IOOF free from all Encumbrances.

4.3 Transfers

Without limitation, the relevant Option Shares are deemed to have been transferred pursuant to clause 4.2(b):

- (a) on the transfer of title in accordance with the ASX Settlement Operating Rules and procedures of CHESS (or such other computer based system which provides for the recording and transfer of title by way of electronic entries, delivery and transfer of title, used by the Company from time to time); or

- (b) by such other manner as agreed between the relevant Grantor and IOOF.

4.4 Payment of Purchase Consideration

If the relevant Grantor complies with its obligations under clause 4.2 then IOOF must:

- (a) pay the Cash Consideration Component to the relevant Grantor in immediately available funds on the relevant Completion Date; and
- (b) issue or procure the issue of the Scrip Consideration Component to the Grantor on the Completion Date.

4.5 Obligations

- (a) Each of the obligations in this clause 4 is interdependent.
- (b) Subject to IOOF complying with clause 4.4, the relevant Grantor grants to IOOF a power of attorney to complete and execute all documents (under hand or under seal) and take any actions on the Grantor's behalf (including giving any necessary directions to the Company) which are necessary or convenient to give effect to the transfer of the relevant Option Shares.
- (c) IOOF will issue a notice under section 708A(5)(e)(i) of the Corporations Act, which complies with the requirements of section 708A(b) of the Corporations Act, as soon as practicable after the relevant Completion Date.

5 Post-Completion adjustment

5.1 Adjustment of Exercise Price

Subject to Completion occurring in respect of the relevant Option Shares, if before the date that is 6 months after the End Date:

- (a) the Scheme becomes Effective and as at that date, the Value per Share offered under the Scheme is greater than the Exercise Price;
- (b) a scheme of arrangement under Part 5.1 of the Corporations Act made by a Third Party becomes Effective and as at that date, the Value per Share offered under that scheme of arrangement is greater than the Exercise Price;
- (c) a Takeover Bid made by a Third Party becomes unconditional and the Value per Share offered under that Takeover Bid as at the date the Takeover Bid becomes unconditional is greater than the Exercise Price; or
- (d) the Scheme does not become Effective and none of the circumstances in paragraphs (a), (b) or (c) above have occurred before 6 months after the End Date,

then:

- (e) IOOF must notify the relevant Grantor of the relevant occurrence; and

- (f) the parties must perform the relevant Exercise Adjustment in respect of the relevant Option Shares.

5.2 Exercise Adjustment

If the parties are required to perform an Exercise Adjustment under clause 5.1(f) in respect of an occurrence of the nature described in clauses 5.1(b), 5.1(c) or 5.1(d), the parties agree that, within 2 Business Days of such occurrence, the relevant Grantor may provide written notice to IOOF of that number of Grantor IOOF Shares it holds that it does not wish to be sold under the relevant Exercise Adjustment (**Retained IOOF Shares**) and must provide written notice to IOOF of the number of its Sold IOOF Shares.

If the parties are required to perform an Exercise Adjustment under clause 5.1(f), the parties agree that, in respect of an occurrence of the nature described in:

- (a) clause 5.1(a), within 5 Business Days of the occurrence, IOOF must pay to the relevant Grantor a cash sum in A\$ equal to the difference in Value between the Exercise Price and the Value per Share offered under the Scheme (as at the date the Scheme becomes Effective) multiplied by the number of relevant Option Shares, less the amount of all adjustment payments which have previously been paid to the relevant Grantor under this clause 5.2;
- (b) clause 5.1(b):
 - (i) the relevant Grantor must appoint IOOF as its nominee to, within 15 Business Days of the occurrence, sell on the financial market conducted by ASX all of the Non-Retained IOOF Shares, in such manner, at such price and on such other terms as IOOF determines in good faith; and
 - (ii) IOOF must, within 5 Business Days of such sale:
 - (A) remit to the relevant Grantor the proceeds of the sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges); and
 - (B) to the extent the relevant Overall Value per Share is less than the Value per Share offered under the relevant scheme of arrangement (as at the date the relevant scheme of arrangement becomes Effective), pay to the relevant Grantor a cash sum in A\$ equal to the amount of this difference multiplied by the number of relevant Option Shares, less the amount of all adjustment payments which have previously been paid to the relevant Grantor under this clause 5.2 excluding any adjustment payments to the extent they related to proceeds of sale taken into account when calculating paragraph (a) of the definition of the relevant Overall Value per Share;
- (c) clause 5.1(c):
 - (i) the relevant Grantor must appoint IOOF as its nominee to, within 15 Business Days of the occurrence, sell on the financial market conducted by ASX all of the relevant Non-Retained IOOF Shares, in such manner, at such price and on such other terms as the IOOF determines in good faith; and
 - (ii) IOOF must, within 5 Business Days of such sale:

- (A) remit to the relevant Grantor the proceeds of the sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges); and
 - (B) to the extent the relevant Overall Value per Share is less than the Value per Share offered under the relevant Takeover Bid (as at the date the relevant Takeover Bid becomes unconditional), pay to the relevant Grantor a cash sum in A\$ equal to the amount of this difference multiplied by the number of relevant Option Shares, less the amount of all adjustment payments which have previously been paid to the relevant Grantor under this clause 5.2 excluding any adjustment payments to the extent they related to proceeds of sale taken into account when calculating paragraph (a) of the definition of the relevant Overall Value per Share; and
- (d) clause 5.1(d):
- (i) the relevant Grantor must appoint IOOF as its nominee to, within 15 Business Days of the occurrence, sell on the financial market conducted by ASX all of the relevant Non-Retained IOOF Shares, in such manner, at such price and on such other terms as the IOOF determines in good faith; and
 - (ii) IOOF must, within 5 Business Days of such sale:
 - (A) remit to the relevant Grantor the proceeds of the sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges); and
 - (B) to the extent the Overall Value per Share as at the date on which the event in 5.1(d) occurs is less than the Exercise Price as at the Completion Date, pay to the relevant Grantor a cash sum in A\$ equal to the amount of this difference multiplied by the number of relevant Option Shares.

5.3 Adjustment in respect of all Options

- (a) An adjustment of the Exercise Price under clause 5.1(a), 5.1(b) and 5.1(d) may only occur once and may still occur in relation to clause 5.1(a) or 5.1(b) even if any adjustment to the Exercise Price has already occurred under clause 5.1(c).
- (b) An adjustment of the Exercise Price under clause 5.1(c) may occur more than once and may occur even if an adjustment to the Exercise Price has already occurred under any paragraph in clause 5.1.

6 Grantor Call Option

6.1 Grant and exercise of Grantor Call Option

- (a) Subject to Completion occurring, IOOF grants each Grantor a Grantor Call Option.
- (b) Subject to clause 6.2, following commencement of the Grantor Exercise Period, a Grantor may exercise its Grantor Call Option by delivering to IOOF during the Grantor Exercise Period:

- (i) a completed and executed Grantor Option Notice; and
 - (ii) a completed and executed Grantor Acceptance Deed.
- (c) A Grantor may only exercise its Grantor Call Option once and in respect of all of its relevant Option Shares.

6.2 Lapse of Grantor Call Option

Each Grantor Call Option automatically lapses 6 months after the End Date.

6.3 Parties bound

If a Grantor delivers a Grantor Option Notice and a Grantor Acceptance Deed under clause 6.1 then the relevant Grantor, as purchaser, and IOOF, as seller, are immediately bound under a contract for the sale and purchase of the relevant Option Shares.

6.4 Completion of Grantor Call Option purchase

If a Grantor exercises its Grantor Call Option under clause 6.1:

- (a) completion of the sale and purchase of the relevant Option Shares will take place at 10.00am on the relevant Grantor Completion Date at the offices of King & Wood Mallesons in Sydney or such other time and place as the relevant Grantor and IOOF may agree;
- (b) on completion of the sale and purchase of the relevant Option Shares pursuant to the exercise of the relevant Grantor Call Option:
 - (i) IOOF must transfer or procure the transfer of the relevant Option Shares to the relevant Grantor or to its order in accordance with the terms of the relevant Grantor Acceptance Deed;
 - (ii) IOOF and the relevant Grantor must execute and deliver all necessary documents and give all necessary instruments to ensure that all right, title and interest in the relevant Option Shares passes from the IOOF to the relevant Grantor (or to its order) free from all Encumbrances;
 - (iii) the relevant Grantor must pay the relevant Grantor Purchase Price in respect of the relevant Option Shares to IOOF in immediately available funds; and
 - (iv) IOOF must pay to the relevant Grantor within 5 Business Days of written notice from the relevant Grantor, the amount of any additional tax assessable on the relevant Grantor or its beneficiaries by reason of the exercise of the Call Option and the Grantor Call Option compared to the tax that would have been assessable on the relevant Grantor or its beneficiaries if the Call Option and the relevant Grantor Call Option had not been exercised and the Grantor had instead only disposed of the relevant Option Shares held by the Grantor at the date of this deed under the Takeover Bid.

7 Restraints

- (a) The obligations in this clause 7 operate separately in respect of:

- (i) the Company; and
 - (ii) the Company and each Company Group member who is not the Company, and whom the Covenantor represents, or for whose benefit the Covenantor provides any services in the course of the Covenantor's employment with the Company.
- (b) The Covenantor makes the covenants in this clause 7 in consideration of IOOF entering into this deed.
- (c) Subject to the Scheme becoming Effective, IOOF agrees to waive, and to procure that each member of the Company Group waive, any other restraints applicable to each Grantor in any capacity.
- (d) Subject to the Scheme becoming Effective, the Covenantor agrees the following:
- (i) the Covenantor will not, directly or indirectly (whether as principal, agent, director, shareholder, partner, consultant, adviser or otherwise) for the Restraint Period and within the Restraint Area, solicit to provide, or personally provide, services in relation to accounting, taxation, audit, financial planning, retirement, investment advice or investment management, stockbroking, finance broking, financial lending, corporate superannuation, or general insurance broking to any person who, during the final 12 months of the Covenantor's employment with the Company:
 - (A) was a client of the Company and with whom the Covenantor had any dealings because of the Covenantor's employment with the Company; or
 - (B) was a client of the Company Group other than the Company, and with whom the Covenantor had any dealings on behalf of any member of the Company Group because of the Covenantor's employment with the Company;
 - (ii) the Covenantor will not during the Restraint Period and within the Restraint Area either solely or jointly with any other person (whether as principal, agent, employee, director, shareholder, partner, consultant, adviser or otherwise), on the Covenantor's own account, or for any other person directly or indirectly:
 - (A) solicit, endeavour to entice away, consult with or advise any person who was a client of the Company during the final 12 months of the Covenantor's employment with the Company;
 - (B) solicit, endeavour to entice away, consult with or advise any person who was a client of another member of the Company Group during the final 12 months of the Covenantor's employment with the Company; and
 - (C) solicit, interfere with or endeavour to entice away from a member of the Company Group, any person who was an employee of a member of the Company Group with whom the Covenantor worked or had contact during the final 12 months of the Covenantor's employment with the Company.

- (e) Each restriction in this clause 7 and the areas that comprise the Restraint Area and the periods that comprise the Restraint Period are intended to be separate and severable. If any of these are found to be invalid or ineffective, but would be valid or effective if some portion were deleted, then such portions will apply with such modifications as may be necessary to make them valid or effective.
- (f) The restraints in this clause 7 do not:
 - (i) prevent a Covenantor from being interested as the holder of not more than 5% of the issued capital of any corporation whose shares are listed on a recognised stock exchange;
 - (ii) restrict a Covenantor in taking any actions in respect of its own proprietary client accounts or those of its Associates, family members or the Grantors with the Company or the Company Group or with respect to its own investments or those of its Associates, family members or the Grantors; or
 - (iii) apply in respect of any conduct undertaken by a Covenantor by or on behalf of the Company, the Company Group or IOOF and its related bodies corporate.
- (g) Without limiting the range of (other) remedies available in respect of the breach, in the event that the Covenantor is in breach of any of the Covenantor's obligations under this clause 7, insofar as the breach relates to:
 - (i) clients, the Covenantor shall pay to IOOF by way of liquidated damages, an amount calculated by reference to 5% of the funds invested by the relevant clients which are attracted away from investments based on advice given by or through the Company or the Company Group; or
 - (ii) clients who are listed on the database of the Company or the Company Group as a client or similar designation (or who should have been in the ordinary course of business), the Covenantor shall pay to IOOF by way of liquidated damages, an amount calculated by reference to 5% of the funds invested by the relevant clients which are attracted away from investments based on advice given by, through or by reason of the Covenantor of any party or parties for whom the Covenantor is acting; or
 - (iii) clients who pay consulting fees and other fees to the Company or a Subsidiary, the Covenantor shall pay to IOOF an amount calculated by reference to one times the annual consulting fees and other fees.

For the avoidance of doubt, where the Covenantor has paid to IOOF an amount calculated under either subparagraph (g)(i), (g)(ii) or (g)(iii) above in respect of a breach, the Covenantor is released from any further obligation to pay liquidated damages under any other subparagraph in this paragraph (g) in respect of that breach.

- (h) The parties agree that the amount of damages calculated pursuant to this clause 7 represent an estimate of the damages that would be suffered by IOOF and are not payable by way of penalty.
- (i) For the avoidance of doubt, it is expressly provided that the payment of damages under the provisions of this clause 7 shall satisfy and

extinguish any separate claim by IOOF or a member of the Company Group (whether under an employment contract or otherwise) for damages arising from the same fact or event.

- (j) In this clause 7, "**Restraint Period**" means the duration of a Covenantor's employment with the Company and thereafter for, in the following order of priority:
 - (i) 2 years from the termination of the Covenantor's employment with the Company;
 - (ii) 1 year from the termination of the Covenantor's employment with the Company;
 - (iii) 9 months from the termination of the Covenantor's employment with the Company; and
 - (iv) 6 months from the termination of the Covenantor's employment with the Company.
- (k) In this clause 7, "**Restraint Area**" means in the following order of priority:
 - (i) Australia;
 - (ii) each State and Territory in which the Covenantor worked at an office of the Company or another Company Group during the final 12 months of the Covenantor's employment with the Company;
 - (iii) the State and Territory in which the office of the Company or another Company Group from which the Covenantor primarily worked during the final 12 months of the Covenantor's employment with the Company is located;
 - (iv) within 50 kilometres of each office of the Company and any other Company Group member from which the Covenantor worked during the final 12 months of the Covenantor's employment with the Company; and
 - (v) within 50 kilometres of the office of the Company and any other Company Group member from which the Covenantor primarily worked during the final 12 months of the Covenantor's employment with the Company.
- (l) If the Covenantor is also employed with, or engaged in or providing services to or on behalf of a business offering insurance products and debt products, references in this clause 7 to "5% of the funds invested by" shall be read and the business of supplying products of that kind as referring to "100% of annual premiums paid by" (as well as to amounts calculated in accordance with the original wording in respect of other business).
- (m) If a Covenantor is also employed with, or engaged in or providing services to or on behalf of a business offering all other services (including but not limited to accounting, taxation and audit services) references in this clause 7 to "5% of the funds invested by" shall be read (in relation to the Covenantor) and the business of supplying products of that kind as referring to "100% of annual fees paid by" (as well as to amounts calculated in accordance with the original wording in respect of other business).

8 Representations and warranties

8.1 Grantor warranties

Each Grantor warrants that:

- (a) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this deed.
- (b) **(No legal impediment)** the execution, delivery and performance of this deed does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which the Grantor is bound and which would prevent the Grantor from entering into and performing its obligations under this deed.
- (c) **(Solvency)** where the Grantor is:
 - (i) a natural person, no application has been made, or has been threatened or is expected to be made, to a court for an order that the Grantor be declared bankrupt; or
 - (ii) not a natural person:
 - (A) it has not gone, or proposed to go, into liquidation;
 - (B) it has not passed a winding-up resolution or commenced steps for winding-up or dissolution;
 - (C) it has not received a deregistration notice under section 601AB of the Corporations Act or any communication from ASIC that might lead to such a notice or applied for deregistration under section 601AA of the Corporations Act;
 - (D) it has not been presented or threatened with a petition or other process for winding-up or dissolution and, so far as it is aware, there are no circumstances justifying a petition or other process;
 - (E) no receiver, receiver and manager, judicial manager, liquidator, administrator, official manager has been appointed, or is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of it, and, so far as it is aware, there are no circumstances justifying such an appointment; or
 - (F) it has not entered into, or taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them.
- (d) **(Ownership):**
 - (i) it is the legal and beneficial owner of its relevant Option Shares or if it is entering into this deed as a trustee, it is the legal owner of the relevant Option Shares and has the power to sell the legal and beneficial ownership of the relevant Option Shares under this deed; and
 - (ii) IOOF will acquire at Completion the full legal and beneficial ownership of its relevant Option Shares free and clear of all

Encumbrances, subject to registration of IOOF in the register of shareholders.

- (e) **(No Encumbrances or other arrangements):** its relevant Option Shares:
 - (i) are free and clear of all Encumbrances;
 - (ii) can be sold and transferred free of any competing rights, including pre-emptive rights or rights of first refusal; and
 - (iii) are fully paid and no money is owing in respect of them.
- (f) **(Legal advice)** the Grantor has received legal advice about the effect of this deed or has had an adequate and reasonable opportunity to seek and receive legal advice about the effect of this deed.

8.2 IOOF warranties

IOOF warrants that:

- (a) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this deed.
- (b) **(Corporate Authorisations)** all necessary authorisations for the execution, delivery and performance by it of this deed in accordance with its terms have been obtained or will be obtained prior to Completion.
- (c) **(No legal impediment)** the execution, delivery and performance of this deed:
 - (i) complies with its constitution or other constituent documents (as applicable); and
 - (ii) does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which it is bound and which would prevent it from entering into and performing its obligations under this deed.
- (d) **(Solvency):**
 - (i) it has not gone, or proposed to go, into liquidation;
 - (ii) it has not passed a winding-up resolution or commenced steps for winding-up or dissolution;
 - (iii) it has not received a deregistration notice under section 601AB of the Corporations Act or any communication from ASIC that might lead to such a notice or applied for deregistration under section 601AA of the Corporations Act;
 - (iv) it has not been presented or threatened with a petition or other process for winding-up or dissolution and, so far as it is aware, there are no circumstances justifying a petition or other process;
 - (v) no receiver, receiver and manager, judicial manager, liquidator, administrator, official manager has been appointed, or is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of it, and, so far as it is aware, there are no circumstances justifying such an appointment; or

- (vi) it has not entered into, or taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them.
- (e) **(IOOF Shares):** the Grantor will acquire at Completion the full legal and beneficial ownership of the Grantor IOOF Shares free and clear of all Encumbrances, subject to registration of the Grantor in the register of shareholders and the relevant IOOF Shares when issued will be:
 - (i) free and clear of all Encumbrances;
 - (ii) able to be sold and transferred free of any competing rights, including pre-emptive rights or rights of first refusal;
 - (iii) duly and validly issued in accordance with all applicable laws and IOOF's constitution;
 - (iv) issued on terms such that each such relevant IOOF Share will rank equally in all respects with each existing fully paid ordinary share in IOOF; and
 - (v) fully paid and no money will be owing in respect of them, and IOOF will use all reasonable endeavours to ensure that such IOOF Shares are, from the date of issue, quoted for trading on the ASX.
- (f) **(Cleansing notice requirements):** as at each relevant Completion Date, both:
 - (i) the requirements of each of sections 708A(5)(a), (b), (c), (d) and (e) of the Corporations Act are met in relation to IOOF and the IOOF Shares (if any) issued to a Grantor pursuant to the exercise of a Call Option under clause 3.1 (as applicable); and
 - (ii) no determination of ASIC under section 708A(2) of the Corporations Act is in force in relation to IOOF.

8.3 Survival of warranties

The warranties given in this clause 8:

- (a) survive the execution of this deed; and
- (b) are regarded as repeated at Completion with regard to the facts and circumstances then subsisting.

8.4 Reliance

Each party acknowledges that the other parties have entered into this deed and agreed to take part in the transactions that it contemplates in reliance on the warranties made or repeated in this clause.

8.5 Indemnity

Each party indemnifies the other parties against any loss, liability, damage, cost, charge and expense suffered or incurred as a result of its breach of this deed, other than clause 7.

9 Termination

9.1 Termination

This deed:

- (a) automatically terminates if a Call Option:
 - (i) has not been validly exercised by the end of the Call Option Period; or
 - (ii) lapses pursuant to clause 3.1(c); and
- (b) may be terminated by IOOF at any time prior to Completion by written notice to the Grantor, including in circumstances where IOOF has delivered a Call Option Notice. For the avoidance of doubt, if IOOF has terminated this deed, then the parties will not be obliged to comply with their obligations pursuant to clause 4 of this deed.

9.2 Effect of termination

On termination, this deed:

- (a) is of no further effect and (without prejudice to any accrued rights or obligations of the parties, which if a Call Option has been exercised, will include, all rights and obligations in connection with Completion) there are no continuing rights or obligations of the parties; and
- (b) each Grantor is absolutely entitled to retain the Option Fee.

10 Duties, costs and expenses

10.1 Stamp duty

- (a) IOOF must pay the stamp duty in respect of the execution, delivery and performance of:
 - (i) this deed; and
 - (ii) any agreement or document entered into or signed under this deed.
- (b) IOOF must pay any fine, penalty or other cost in respect of a failure to pay any stamp duty except to the extent that the fine, penalty or other cost is caused by an act or default on the part of a Grantor.
- (c) IOOF indemnifies each Grantor against any amount payable under clause 10.1(a) or clause 10.1(b) or both.

10.2 Costs and expenses

Each party must pay its own costs and expenses in relation to the negotiation, preparation, execution and delivery of this deed.

11 General

11.1 Notices and communications

- (a) Unless expressly stated otherwise, any communication under or in connection with this deed must be:
 - (i) in legible writing;
 - (ii) in English or accompanied by a certified translation into English; and
 - (iii) signed by the sender (if an individual) or an authorised officer of the sender; and
 - (iv) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.
- (b) Communications must be:
 - (i) left at the address set out or referred to in the Details;
 - (ii) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details; or
 - (iii) given in any other way permitted by law.

However, if the intended recipient has notified a changed address, then communications must be to that address.

- (c) Communications take effect from the time they are received or taken to be received under clause 11.1(d) (whichever happens first) unless a later time is specified.
- (d) Communications are taken to be received if sent by post, three days after posting (or seven days after posting if sent from one country to another).
- (e) Despite clauses 11.1(c) and 11.1(d), if communications are received or taken to be received under clause 11.1(d) after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

11.2 Governing law and jurisdiction

- (a) This deed is governed by the laws of New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and courts competent to hear appeals from those courts.

11.3 Consents

Any consent referred to in, or required under, this deed from any party may not be unreasonably withheld, unless this deed expressly provides for that consent to be given in that party's absolute discretion.

11.4 Waivers

- (a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed by any party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed.
- (b) Any waiver or consent given by any party under this deed is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this deed operates as a waiver of another breach of that term or of a breach of any other term of this deed.

11.5 Variation

This deed may only be varied by a document signed by or on behalf of each of the parties.

11.6 Assignment

A party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this deed without the prior written consent of the other parties (which may be given or withheld in each of those party's absolute discretion), provided that IOOF may assign the benefit of this deed to a related body corporate.

11.7 Acknowledgement

The Grantor acknowledges that the remedy of damages alone may be inadequate to protect the interests of IOOF for breach by the Grantor of clause 4 and that IOOF is entitled to seek and obtain, without limitation, injunctive relief or specific performance if:

- (a) the Grantor fails to comply or threatens to fail to comply with clause 4; or
- (b) IOOF has reason to believe the Grantor will not comply with clause 4.

11.8 No third party beneficiary

This deed shall be binding on and enure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this deed is intended to or shall confer on any other persons any third party beneficiary rights.

11.9 Further action

Each party will do all things and execute all further documents necessary to give full effect to this deed.

11.10 Entire Agreement

This deed supersedes all previous agreements, understandings, negotiations or deeds in respect of its subject matter and embodies the entire deed between the parties.

11.11 Counterparts

- (a) This deed may be executed in any number of counterparts.

- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this deed by signing any counterpart.

11.12 Remedies cumulative

The rights, powers and remedies provided in this deed are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this deed.

11.13 Time of the essence

Time is of the essence of this deed in respect of any date or period determined under this deed.

11.14 Relationship of the parties

- (a) Nothing in this deed gives a party authority to bind any other party in any way.
- (b) Nothing in this deed imposes any fiduciary duties on a party in relation to any other party

11.15 No merger

The rights and obligations of the parties do not merge on Completion. They survive the execution and delivery of any transfer or other document entered into for the purpose of Completion.

EXECUTED as a deed.

Call Option Deed

Schedule 1 – Call Option Notice

[insert date]

To: **[insert name of relevant Grantor]**

Call Option Deed dated [insert] between the Grantors (including [insert name of relevant Grantor]) and IOOF

In accordance with clause 3.1 of the Call Option Deed, IOOF exercises the Call Option in respect of the Option Shares of **[insert name of relevant Grantor]**.

Capitalised terms used in this notice have the same meaning as is given to those terms in the Call Option Deed.

The relevant Completion Date is **[insert]** and Completion is to take place at **[insert]** on the relevant Completion Date at the address set out below:

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Signed by **[insert]** for and on behalf of IOOF

Schedule 2 – Grantor Option Notice

[insert date]

To: The Directors of IOOF Holdings Limited

Call Option Deed dated [insert] between the Grantors (including [insert name of relevant Grantor]) and IOOF

In accordance with clause 6.1 of the Call Option Deed, the Grantor exercises the Grantor Call Option in respect of the Option Shares of **[insert name of relevant Grantor]**.

Capitalised terms used in this notice have the same meaning as is given to those terms in the Call Option Deed.

The relevant Grantor Completion Date is **[insert]** and completion is to take place at **[insert]** at the address set out below:

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Signed by **[insert name of relevant Grantor]**

Schedule 3 – Grantor Acceptance Deed

[insert date]

To: The Directors of IOOF Holdings Limited

Call Option Deed dated [insert] between the Grantors (including [insert name of relevant Grantor]) and IOOF

General

Any term used in this Grantor Acceptance Deed which is defined in the Call Option Deed dated [insert] (the **Deed**) between IOOF and **[insert name of relevant Grantor] (Grantor)** has the meaning given in that Deed.

Undertaking by the Grantor

The Grantor undertakes to IOOF to accept the IOOF Takeover Bid immediately following the completion of the sale and purchase of the relevant Option Shares pursuant to the Grantor's exercise of the Grantor Call Option under clause 6.1 of the Deed.

Power of Attorney

The Grantor irrevocably authorises IOOF and appoints IOOF as its attorney to sign all documents, give all instructions and perform all actions as IOOF thinks necessary or desirable to give effect to the acceptance by the Grantor of the IOOF Takeover Bid and to enable the registration of the transfer of the relevant Option Shares to IOOF pursuant to the terms of the IOOF Takeover Bid. The Grantor agrees to deliver to IOOF upon demand such powers of attorney, instruments of transfer and other instruments as IOOF may require for the purposes of this Acceptance Deed.

Signed by **[insert name of relevant Grantor]**.

Schedule 4 – Grantor Option Shares

Grantor	Option Shares
Grace Genevieve Bailey	16,561,635
Kevin Christopher Bailey	8,790,331
Kevin Bailey Corporation Pty Ltd as trustee for the Bailey Superannuation Account	7,765,543
Kevin Christopher Bailey and Grace Genevieve Bailey as trustees for the Bailey Family Trust	8,454,928
Kevin Bailey, Wayne Dowd and Grace Bailey as trustees for the Kevin Bailey Charitable Trust	4,060,000

Signing page

DATED: 16 MAY 2014

EXECUTED by IOOF HOLDINGS
LIMITED in accordance with section
127(1) of the Corporations Act 2001
(Cwlth) by authority of its directors:

.....
Signature of director

.....
Name of director (block letters)


.....
Signature of director/company
secretary*

*delete whichever is not applicable


.....
Name of director/company secretary*
(block letters)

*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by GRACE GENEVIEVE BAILEY in
the presence of:


.....
Signature of witness

Joseph Bailey
.....
Name of witness (block letters)


.....
Signature of GRACE GENEVIEVE
BAILEY

SIGNED, SEALED AND DELIVERED
by KEVIN CHRISTOPHER BAILEY in
the presence of:

.....
Signature of witness

.....
Name of witness (block letters)

.....
Signature of KEVIN CHRISTOPHER
BAILEY

EXECUTED by KEVIN BAILEY
CORPORATION PTY LTD AS
TRUSTEE FOR THE BAILEY
SUPERANNUATION ACCOUNT in
accordance with section 127(1) of
the Corporations Act 2001 (Cwlth) by

authority of its directors:

Signature of director

Name of director (block letters)

Signature of director/company
secretary*

*delete whichever is not applicable

Name of director/company secretary*
(block letters)

*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by **KEVIN CHRISTOPHER BAILEY**
AND GRACE GENEVIEVE BAILEY
AS TRUSTEES FOR THE BAILEY
FAMILY TRUST in the presence of:

Signature of witness

Name of witness (block letters)

Signature **KEVIN CHRISTOPHER**
BAILEY

Signature of **GRACE GENEVIEVE**
BAILEY

SIGNED, SEALED AND DELIVERED
by **KEVIN CHRISTOPHER**
BAILEY, WAYNE DOWD AND
GRACE GENEVIEVE BAILEY AS
TRUSTEES FOR THE KEVIN BAILEY
CHARITABLE TRUST in the presence
of:

Signature of witness


Name of witness (block letters)

Signature **WAYNE DOWD**

Signature **KEVIN CHRISTOPHER**
BAILEY

Signature of **GRACE GENEVIEVE**
BAILEY

EXECUTED by KEVIN BAILEY
CORPORATION PTY LTD AS
TRUSTEE FOR THE BAILEY
SUPERANNUATION ACCOUNT in
accordance with section 127(1) of the
Corporations Act 2001 (Cwlth) by
authority of its directors:



Signature of director

KEVIN CHRISTOPHER BAILEY
Name of director (block letters)

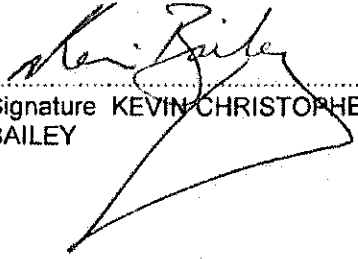
Signature of director/company
secretary*
*delete whichever is not applicable

Name of director/company secretary*
(block letters)
*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by KEVIN CHRISTOPHER BAILEY
AND GRACE GENEVIEVE BAILEY
AS TRUSTEES FOR THE BAILEY
FAMILY TRUST in the presence of:

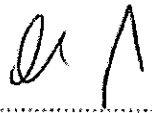

Signature of witness

CHARBEL RAISH
Name of witness (block letters)


Signature KEVIN CHRISTOPHER
BAILEY

Signature of GRACE GENEVIEVE
BAILEY

SIGNED, SEALED AND DELIVERED
by KEVIN CHRISTOPHER BAILEY,
WAYNE DOWD AND GRACE
GENEVIEVE BAILEY AS TRUSTEES
FOR THE KEVIN BAILEY
CHARITABLE TRUST in the presence
of:


Signature of witness

CHARBEL RAISH
Name of witness (block letters)

Signature WAYNE DOWD


Signature KEVIN CHRISTOPHER
BAILEY

Signature of GRACE GENEVIEVE
BAILEY

EXECUTED by KEVIN BAILEY
CORPORATION PTY LTD AS
TRUSTEE FOR THE BAILEY
SUPERANNUATION ACCOUNT in
accordance with section 127(1) of the
Corporations Act 2001 (Cwlth) by
authority of its directors:

.....
Signature of director

.....
Name of director (block letters)

.....
Signature of director/company
secretary*

*delete whichever is not applicable

.....
Name of director/company secretary*
(block letters)

*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by KEVIN CHRISTOPHER BAILEY
AND GRACE GENEVIEVE BAILEY
AS TRUSTEES FOR THE BAILEY
FAMILY TRUST in the presence of:

.....
Signature of witness

.....
Name of witness (block letters)


.....
Signature KEVIN CHRISTOPHER
BAILEY

.....
Signature of GRACE GENEVIEVE
BAILEY

SIGNED, SEALED AND DELIVERED
by KEVIN CHRISTOPHER BAILEY,
WAYNE DOWD AND GRACE
GENEVIEVE BAILEY AS TRUSTEES
FOR THE KEVIN BAILEY
CHARITABLE TRUST in the presence
of:


.....
Signature of witness


.....
Name of witness (block letters)


.....
Signature WAYNE DOWD

.....
Signature KEVIN CHRISTOPHER
BAILEY

.....
Signature of GRACE GENEVIEVE
BAILEY

Signing page

DATED: 16 MAY 2014

EXECUTED by IOOF HOLDINGS
LIMITED in accordance with section
127(1) of the Corporations Act 2001
(Cwlth) by authority of its directors:

.....
Signature of director

.....
Name of director (block letters)


.....
Signature of director/company
secretary*


*delete whichever is not applicable

.....
Name of director/company secretary*
(block letters)

*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by GRACE GENEVIEVE BAILEY in
the presence of:


.....
Signature of witness


.....
Name of witness (block letters)


.....
Signature of GRACE GENEVIEVE
BAILEY

SIGNED, SEALED AND DELIVERED
by KEVIN CHRISTOPHER BAILEY in
the presence of:

.....
Signature of witness

.....
Name of witness (block letters)

.....
Signature of KEVIN CHRISTOPHER
BAILEY

EXECUTED by KEVIN BAILEY
CORPORATION PTY LTD AS
TRUSTEE FOR THE BAILEY
SUPERANNUATION ACCOUNT in
accordance with section 127(1) of
the Corporations Act 2001 (Cwlth) by

authority of its directors:

Signature of director/company secretary*

*delete whichever is not applicable

Signature of director

Name of director/company secretary*
(block letters)

*delete whichever is not applicable

Name of director (block letters)

SIGNED, SEALED AND DELIVERED
by KEVIN CHRISTOPHER BAILEY
AND GRACE GENEVIEVE BAILEY
AS TRUSTEES FOR THE BAILEY
FAMILY TRUST in the presence of:

Signature of witness

Name of witness (block letters)

Signature KEVIN CHRISTOPHER
BAILEY

Signature of GRACE GENEVIEVE
BAILEY

SIGNED, SEALED AND DELIVERED
by KEVIN CHRISTOPHER
BAILEY, WAYNE DOWD AND
GRACE GENEVIEVE BAILEY AS
TRUSTEES FOR THE KEVIN BAILEY
CHARITABLE TRUST in the presence
of:

Signature of witness

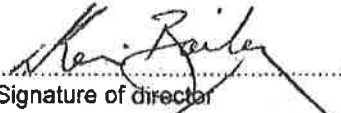
JOSEPH BAILEY
Name of witness (block letters)

Signature WAYNE DOWD

Signature KEVIN CHRISTOPHER
BAILEY

Signature of GRACE GENEVIEVE
BAILEY

EXECUTED by KEVIN BAILEY
CORPORATION PTY LTD AS
TRUSTEE FOR THE BAILEY
SUPERANNUATION ACCOUNT in
accordance with section 127(1) of the
Corporations Act 2001 (Cwlth) by
authority of its directors:


Signature of director

KEVIN CHRISTOPHER BAILEY
Name of director (block letters)


Signature of director/company
secretary*

*delete whichever is not applicable

Name of director/company secretary*
(block letters)

*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by KEVIN CHRISTOPHER BAILEY
AND GRACE GENEVIEVE BAILEY
AS TRUSTEES FOR THE BAILEY
FAMILY TRUST in the presence of:



Signature of witness

CHARBEL RAISH
Name of witness (block letters)


Signature KEVIN CHRISTOPHER
BAILEY

Signature of GRACE GENEVIEVE
BAILEY

SIGNED, SEALED AND DELIVERED
by KEVIN CHRISTOPHER BAILEY,
WAYNE DOWD AND GRACE
GENEVIEVE BAILEY AS TRUSTEES
FOR THE KEVIN BAILEY
CHARITABLE TRUST in the presence
of:


Signature of witness

CHARBEL RAISH
Name of witness (block letters)

Signature WAYNE DOWD


Signature KEVIN CHRISTOPHER
BAILEY

Signature of GRACE GENEVIEVE
BAILEY

EXECUTED by KEVIN BAILEY
CORPORATION PTY LTD AS
TRUSTEE FOR THE BAILEY
SUPERANNUATION ACCOUNT in
accordance with section 127(1) of the
Corporations Act 2001 (Cwth) by
authority of its directors:

.....
Signature of director

.....
Name of director (block letters)

.....
Signature of director/company
secretary*
*delete whichever is not applicable

.....
Name of director/company secretary*
(block letters)
*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by KEVIN CHRISTOPHER BAILEY
AND GRACE GENEVIEVE BAILEY
AS TRUSTEES FOR THE BAILEY
FAMILY TRUST in the presence of:


.....
Signature of witness

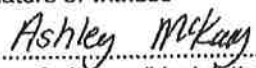
.....
Name of witness (block letters)


.....
Signature KEVIN CHRISTOPHER
BAILEY

.....
Signature of GRACE GENEVIEVE
BAILEY

SIGNED, SEALED AND DELIVERED
by KEVIN CHRISTOPHER BAILEY,
WAYNE DOWD AND GRACE
GENEVIEVE BAILEY AS TRUSTEES
FOR THE KEVIN BAILEY
CHARITABLE TRUST in the presence
of:


.....
Signature of witness


.....
Name of witness (block letters)


.....
Signature WAYNE DOWD

.....
Signature KEVIN CHRISTOPHER
BAILEY

.....
Signature of GRACE GENEVIEVE
BAILEY

Signing page

DATED: _____

EXECUTED by IOOF HOLDINGS
LIMITED in accordance with section
127(1) of the Corporations Act 2001
(Cwlth) by authority of its directors:

Signature of director

CHRIS KELANER
Name of director (block letters)

Signature of director/company
secretary*

*delete whichever is not applicable

Danielle S Corcoran

Name of director/company secretary*
(block letters)

*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by GRACE GENEVIEVE BAILEY in
the presence of:

Signature of witness

Name of witness (block letters)

Signature of GRACE GENEVIEVE
BAILEY

SIGNED, SEALED AND DELIVERED
by KEVIN CHRISTOPHER BAILEY in
the presence of:

Signature of witness

Name of witness (block letters)

Signature of KEVIN CHRISTOPHER
BAILEY

Call Option Deed

Dated 16 MAY 2014

IOOF Holdings Limited (ACN 100 1303 722) ("**IOOF**")

Anthony Kevin Fenning ("**Grantor**")

King & Wood Mallesons

Level 50

Bourke Place

600 Bourke Street

Melbourne VIC 3000

Australia

T +61 3 9643 4000

F +61 3 9643 5999

DX 101 Melbourne

www.kwm.com

Call Option Deed

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Call Option Deed

Details

Parties		IOOF and Grantor
IOOF	Name	IOOF Holdings Limited
	ACN	100 1303 722
	Address	Level 6 161 Collins Street Melbourne 3000
	Telephone	(03) 8614 4746
	Attention	Gary Riordan
Grantor	Name	Anthony Kevin Fenning
	Address	34 James Cook Island Sylvania Waters New South Wales 2223
Recitals	A	The Company intends to propose the Scheme pursuant to which IOOF will acquire all the ordinary shares of the Company.
	B	The Grantor has agreed to grant the Call Option to IOOF on the terms and conditions set out in this deed.
	C	IOOF has agreed to grant the Grantor Call Option to the Grantor on the terms and conditions set out in this deed.
Governing law		New South Wales
Date of agreement		See Signing page

Call Option Deed

General terms

1 Definitions and interpretation

1.1 Deed components

This deed includes any schedule.

1.2 Definitions

The meanings of the terms used in this deed are set out below.

Associate has the meaning given in section 12 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates.

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).

Board means the board of directors of the Company.

Business Day means a day in Sydney that is not a Saturday, Sunday or public holiday and on which banks and ASX are open for trading.

Call Option means the call option granted to IOOF under clause 2.1.

Call Option Notice means a notice in the form set out in Schedule 1 to this deed.

Call Option Period means the period commencing on the date of this deed and ending on the End Date.

Cash Consideration Component means the amount of cash per Share (if any) that IOOF proposes to pay under the Superior Proposal or, if there are alternative forms of consideration under the Superior Proposal, the amount of cash per Share (if any) under the alternative elected or deemed to have been elected by the Grantor under clause 3.7.

CHES means the Clearing House Electronic Subregistry System operated by ASX Settlement Pty Ltd (ACN 008 504 532) and ASX Clear Pty Ltd (ACN 001 314 503).

Company means SFG Australia Limited ACN 006 490 259.

Company Group means the Company and its Subsidiaries as at the date of this deed.

Competing Proposal means any proposal, agreement, arrangement or transaction, which, if entered into or completed, would mean a Third Party (either alone or together with any Associate) would:

- (a) directly or indirectly acquire a Relevant Interest in, or have the right to acquire, a legal, beneficial or economic interest in, or control of, more than 20% of the Shares of the Company;

- (b) acquire Control of the Company;
- (c) otherwise acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an exclusive economic interest in all or a material part of the Company's business or assets or the business or assets of the Company's Group;
- (d) otherwise acquire (whether directly or indirectly) or merge with the Company; or
- (e) enter into any agreement, arrangement or understanding requiring the Company to abandon, or otherwise fail to proceed with, the Transaction,

whether by way of takeover bid, scheme of arrangement, security holder approved acquisition, capital reduction or buy back, sale or purchase of shares, securities or assets, global assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), or other transaction or arrangement.

Completion means the settlement of the sale of Option Shares in accordance with clause 4.

Completion Date means the date which is 5 Business Days after the later of the date on which the Call Option is exercised in accordance with clause 3.1.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by IOOF and the Company.

Deal means:

- (i) sell, assign, transfer, declare a trust over or otherwise dispose of;
- (ii) agree or offer to sell, assign, transfer or otherwise dispose of;
- (i) enter into any option which, if exercised, enables or requires the person to sell, assign, transfer, declare a trust over or otherwise dispose of;
- (ii) enter into any swap or any other form of synthetic instrument or arrangement which provides the Grantor or the counterparty economic exposure to the Shares; or
- (iii) create or agree or offer to create or permit to be created any interest or Encumbrance.

Effective means when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Encumbrance means a mortgage, charge, pledge, lien, hypothecation or third party interest of any kind whatsoever, or an agreement to create any of them or to allow any of them to exist.

End Date means the earliest to occur of:

- (a) 31 December 2014;
 - (b) the date the Implementation Agreement is terminated in accordance with its terms; and
 - (c) the implementation date of the Scheme,
- or such other date as agreed in writing by the parties.

Exercise Price means, in respect of each Option Share, the consideration per Share that IOOF proposes to pay under the Superior Proposal.

Exercise Adjustment means the payments referred to in clause 5.2.

Grantor Acceptance Deed means a notice in the form set out in Schedule 3 to this deed.

Grantor Completion Date means the date which is 5 Business Days after the date on which the Grantor Call Option is exercised in accordance with clause 6.1.

Grantor Call Option means the option to purchase the Option Shares granted by IOOF in favour of the Grantor under clause 6.1.

Grantor Exercise Period means the period:

- (a) commencing on the date on which an IOOF Takeover Bid becomes unconditional provided that, on that date, the Value per Share offered under that IOOF Takeover Bid is greater than the Exercise Price; and
- (b) ending 3 Business Days after the date specified in paragraph (a) above.

Grantor IOOF Shares means the IOOF Shares issued to the Grantor pursuant to the exercise of the Call Option under clause 3.1.

Grantor Option Notice means a notice in the form set out in Schedule 2 to this deed.

Grantor Purchase Price means:

- (a) the amount equal to:
 - (i) the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) of any Sold IOOF Shares;
 - (ii) *plus* the Value of the Scrip Consideration Component of the Exercise Price as at the Grantor Completion Date in respect of any Grantor IOOF Shares still held by the Grantor as at the Grantor Completion Date *multiplied by* the number of Grantor IOOF Shares still held by the Grantor as at the Grantor Completion Date;
- (b) *plus* the Cash Consideration Component of the Exercise Price multiplied by the number of Option Shares;
- (c) *plus* the amount of all adjustment payments which have previously been paid by IOOF to the Grantor under clause 5.2 other than to the extent already taken into account in paragraph (a)(i); and
- (d) *minus* the cash value of any Rights received by IOOF after the Completion Date in respect of the Option Shares.

Group means the Company and each of its Subsidiaries.

Implementation Date means the date on which the Scheme is implemented and completed.

Implementation Deed means the scheme implementation deed dated on or around the date of this deed between the Company and IOOF relating to the implementation of the Scheme.

IOOF Shares means fully paid ordinary shares in the capital of IOOF.

IOOF Takeover Bid means a Takeover Bid made by IOOF, or any Associate of IOOF that is not a Third Party.

New IOOF Shares means a fully paid ordinary share in IOOF to be issued to Scheme Shareholders under the Scheme.

Non-Retained IOOF Shares means, in respect of an Exercise Adjustment, the number of Grantor IOOF Shares equal to:

- (a) the number of Grantor IOOF Shares held by the Grantor as at the date of the relevant Exercise Adjustment;
- (b) *minus* the number of Retained IOOF Shares (if any).

Option Fee means A\$10.00.

Option Shares means 26,514,909 Shares.

Overall Value per Share means, in respect of an Exercise Adjustment:

- (a) the proceeds of all sales by or on behalf of the Grantor of Grantor IOOF Shares (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) whether in respect of Exercise Adjustments performed under clauses 5.1(b), 5.1(c) or 5.1(d) or otherwise and including the Sold IOOF Shares;
- (b) *plus* the volume weighted average price (excluding all off-market transactions) of IOOF Shares on ASX over the 15 trading days ending on the day prior to the relevant date multiplied by the number of Retained IOOF Shares (if any);
- (c) *plus* the Cash Consideration Component of the Exercise Price multiplied by the number of Option Shares,

divided by the number of Option Shares.

Purchase Consideration means the aggregate of the Cash Consideration Component and the Scrip Consideration Component.

Restraint Area has the meaning given in clause 7(k).

Restraint Period has the meaning given in clause 7(j).

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Retained IOOF Shares means, in respect of an Exercise Adjustment, that number of Grantor IOOF Shares notified by the Grantor to IOOF under clause 5.2(a).

Rights means all accretions and rights attaching to or arising from the Option Shares (including without limitation, all rights to receive dividends, returns of capital and other distributions declared or paid and to receive or subscribe for shares, notes, options or other securities or entitlements) declared, paid or issued by the Company after the Completion Date.

Sale Value per Share means the proceeds of all sales (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) in respect of an Exercise Adjustment performed under clauses 5.1(b), 5.1(c) or 5.1(d) divided by the number of Option Shares.

Scheme means a transaction proposed by the Company to its shareholders pursuant to Part 5.1 of the Corporations Act pursuant to which IOOF or any of its related bodies corporate proposes to acquire all of the shares in the Company.

Scheme Meeting means the meeting of the Company's shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to implement the Scheme.

Scrip Consideration Component means such number of New IOOF Shares (if any) for each Share that IOOF proposes to issue under the Superior Proposal or, if there are alternative forms of consideration under the Superior Proposal, such number of New IOOF Shares (if any) under the alternative elected or deemed to have been elected by the Grantor under clause 3.7.

Share means an ordinary share in the capital of the Company.

Sold IOOF Shares means any Grantor IOOF Shares sold by the Grantor on the financial market conducted by ASX before the time any Exercise Adjustment is due to be made under clause 5.2(b), 5.2(c) or 5.2(d).

Subsidiary has the meaning given in the Corporations Act.

Superior Proposal means a proposal that is provided by IOOF to the Board, in response to a Competing Proposal and which the Board determines in good faith is more favourable to the Company's shareholders than the Competing Proposal.

Takeover Bid means a takeover bid under Chapter 6 of the Corporations Act to acquire at least 50% of the issued Shares.

Third Party means a person other than IOOF and any Associate of IOOF (except any person who is an Associate of IOOF merely because IOOF or any of its related bodies corporate has agreed to dispose of Shares to that person or has agreed to vote in favour of or otherwise support any Competing Proposal by that person).

Transaction means the acquisition of the Company through implementation of the Scheme.

Value means in relation to any consideration (including the Exercise Price) at any time:

- (i) if all or any part of the consideration is a cash sum in A\$, that A\$ value;
- (ii) if the consideration is a cash sum denominated in a currency other than Australian dollars, the value of the consideration will be based on its Australian dollar equivalent applying the WM/Reuters Closing Spot Exchange Rate published at 4pm London time on the relevant date;

- (iii) if all or any part of the consideration is in a form of securities in an entity listed on any securities exchange, the consideration will be valued based on the volume weighted average price (excluding all off-market transactions) of the relevant securities over the 5 trading days ending on the day prior to the relevant date on the primary exchange on which the relevant securities are quoted. If that price is quoted in a currency other than Australian dollars that price must be converted into Australian dollars applying the WM/Reuters Closing Spot Exchange Rate published at 4pm London time on the relevant date;
- (iv) in any other case, the value in A\$:
 - (A) as agreed by the Grantor and IOOF (acting reasonably); or
 - (B) in the absence of agreement, as determined by an independent expert (acting as expert and not arbitrator and on behalf of both the Grantor and IOOF whose decision will be, in the absence of manifest error, final and binding on both the Grantor and IOOF) the identity of which is agreed by the Grantor and IOOF (or in the absence of agreement, such person as nominated by the National President of the Institute of Chartered Accountants).

1.3 Interpretation

In this deed, headings are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any government agency;
- (e) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to this deed, and a reference to this deed includes any attachment, exhibit and schedule;
- (f) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) a reference to any document (including this deed) is to that document as varied, novated, ratified or replaced from time to time;
- (h) the word 'includes' in any form is not a word of limitation;
- (i) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;

- (j) a reference to any time is to the time in Sydney, Australia;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this deed; and
- (l) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Contra proferentem excluded

No term or condition of this deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this deed or a provision of it.

2 Call Option

2.1 Call Option

- (a) In consideration of the payment of the Option Fee, the Grantor irrevocably grants the Call Option to IOOF.
- (b) The Grantor acknowledges receipt of the Option Fee.
- (c) The Grantor irrevocably grants to IOOF the right to require the Grantor to sell the Option Shares to IOOF for the Exercise Price and on and subject to the terms and conditions of this deed.

2.2 No dealing in Option Shares

From the date of this deed until:

- (a) if a Call Option Notice has not been served, the end of the Call Option Period;
- (b) if a Call Option Notice has been served and this deed has not been terminated in accordance with clause 9.1(b), the Completion Date; or
- (c) if a Call Option Notice has been served and this deed has been terminated in accordance with clause 9.1(b), the date of termination of this deed,

the Grantor may not Deal in the Option Shares except as contemplated under this deed.

2.3 Right to dispose of Shares not affected

Nothing in this deed restricts or will be taken to restrict the Grantor's right to Deal in Shares, other than the Option Shares, with another party.

2.4 Right to vote Shares not affected

Nothing in this deed will be taken to restrict:

- (b) the ability of the Grantor to exercise the votes attaching to any Share (including any Option Share) in the Grantor's absolute discretion before the Call Option is exercised in respect of the Option Shares; and
- (c) the Grantor's right to vote for or against any resolution proposed in relation to the Company (including any resolution in relation to a Scheme).

3 Exercise

3.1 Call Option Exercise

- (a) IOOF may only exercise the Call Option if:
 - (i) there is a Competing Proposal; and
 - (ii) a Superior Proposal has been publicly announced by the Board (**Superior Proposal Announcement**).
- (b) If the pre-conditions to exercise in clause 3.1(a) have been fulfilled, IOOF may exercise the Call Option by signing and delivering to the Grantor a Call Option Notice at any time prior to the end of the 20th Business Day after the date on which the Superior Proposal Announcement was made.
- (c) If the Call Option is not exercised during the period referred to in clause 3.1(b) the Call Option will lapse.

3.2 Call Option Notice

The Call Option may be exercised, and a Call Option Notice may be given, once in respect of all of the Option Shares.

3.3 Time of exercise

The Call Option is taken to have been exercised at the time when a signed Call Option Notice is delivered in accordance with clause 3.1.

3.4 Sale and purchase

Subject to clause 9.1(b), upon exercise of a Call Option, the Grantor agrees to sell and transfer to IOOF, and IOOF agrees to purchase from the Grantor, all of the Option Shares for the Exercise Price on the terms and conditions of this deed.

3.5 Transfer of Option Shares

The Option Shares must be transferred:

- (a) free from any Encumbrances; and
- (b) must include only such dividend rights or other entitlements, attached or accruing to them on and from the date of exercise of the Call Option, to which IOOF would have been entitled if the Option Shares were acquired under any Superior Proposal and not under this deed.

3.6 Compensation for dividends and other entitlements after Completion

To the extent that IOOF becomes entitled to dividend rights or other entitlements in respect of the Option Shares after Completion to which the Grantor would have been entitled if the Option Shares were acquired under any Superior Proposal and not under this deed, IOOF must pay the Grantor a cash amount equal to the Value of the dividend or other entitlement plus, in the case of any dividend, a cash amount equal to the imputation credit that would have been attributable to the dividend based on the franking percentage that would have been applicable under the Superior Proposal, promptly after receipt by IOOF.

3.7 Election Notice

If any Superior Proposal provides for alternative forms of consideration, at least 2 Business Days before the Completion Date, the Grantor may provide to IOOF a written election in relation to the alternative form of consideration it wishes to receive under clause 4.4. If the Grantor does not make an election in accordance with this clause 3.7, then the Grantor will be deemed to have elected the alternative which contains the highest amount of cash per Share.

4 Completion

4.1 Time and place of Completion

If the Call Option is exercised, completion of the sale and purchase of the Option Shares will take place at 10.00am on the Completion Date at the offices of King & Wood Mallesons in Sydney or such other time and place as the Grantor and IOOF may agree.

4.2 Steps to occur at Completion

On the Completion Date:

- (a) the Grantor must transfer or procure the transfer of the Option Shares to IOOF (or to any related body corporate nominated by IOOF); and
- (b) IOOF and the Grantor must execute and deliver all necessary documents and give all necessary instruments to ensure that all right, title and interest in the Option Shares passes from the Grantor to IOOF free from all Encumbrances.

4.3 Transfers

Without limitation, the Option Shares are deemed to have been transferred pursuant to clause 4.2(b):

- (a) on the transfer of title in accordance with the ASX Settlement Operating Rules and procedures of CHESS (or such other computer based system which provides for the recording and transfer of title by way of electronic entries, delivery and transfer of title, used by the Company from time to time); or
- (b) by such other manner as agreed between the Grantor and IOOF.

4.4 Payment of Purchase Consideration

If the Grantor complies with its obligations under clause 4.2 then IOOF must:

- (a) pay the Cash Consideration Component to the Grantor in immediately available funds on the Completion Date; and

- (b) issue or procure the issue of the Scrip Consideration Component to the Grantor on the Completion Date.

4.5 Obligations

- (a) Each of the obligations in this clause 4 is interdependent.
- (b) Subject to IOOF complying with clause 4.4, the Grantor grants to IOOF a power of attorney to complete and execute all documents (under hand or under seal) and take any actions on the Grantor's behalf (including giving any necessary directions to the Company) which are necessary or convenient to give effect to the transfer of the Option Shares.
- (c) IOOF will issue a notice under section 708A(5)(e)(i) of the Corporations Act, which complies with the requirements of section 708A(b) of the Corporations Act, as soon as practicable after the Completion Date.

5 Post-Completion adjustment

5.1 Adjustment of Exercise Price

Subject to Completion occurring, if before the date that is 6 months after the End Date:

- (a) the Scheme becomes Effective and as at that date, the Value per Share offered under the Scheme is greater than the Exercise Price;
- (b) a scheme of arrangement under Part 5.1 of the Corporations Act made by a Third Party becomes Effective and as at that date, the Value per Share offered under that scheme of arrangement is greater than the Exercise Price;
- (c) a Takeover Bid made by a Third Party becomes unconditional and the Value per Share offered under that Takeover Bid as at the date the Takeover Bid becomes unconditional is greater than the Exercise Price; or
- (d) the Scheme does not become Effective and none of the circumstances in paragraphs (a), (b) or (c) above have occurred before 6 months after the End Date,

then:

- (e) IOOF must notify the Grantor of the relevant occurrence; and
- (f) the parties must perform the relevant Exercise Adjustment.

5.2 Exercise Adjustment

If the parties are required to perform an Exercise Adjustment under clause 5.1(f) in respect of an occurrence of the nature described in clauses 5.1(b), 5.1(c) or 5.1(d), the parties agree that, within 2 Business Days of such occurrence, the Grantor may provide written notice to IOOF of that number of Grantor IOOF Shares it holds that it does not wish to be sold under the relevant Exercise Adjustment (**Retained IOOF Shares**) and must provide written notice to IOOF of the number of Sold IOOF Shares.

If the parties are required to perform an Exercise Adjustment under clause 5.1(f), the parties agree that, in respect of an occurrence of the nature described in:

- (a) clause 5.1(a), within 5 Business Days of the occurrence, IOOF must pay to the Grantor a cash sum in A\$ equal to the difference in Value between the Exercise Price and the Value per Share offered under the Scheme (as at the date the Scheme becomes Effective) multiplied by the number of Option Shares, less the amount of all adjustment payments which have previously been paid to the Grantor under this clause 5.2;
- (b) clause 5.1(b):
 - (i) the Grantor must appoint IOOF as its nominee to, within 15 Business Days of the occurrence, sell on the financial market conducted by ASX all of the Non-Retained IOOF Shares, in such manner, at such price and on such other terms as IOOF determines in good faith; and
 - (ii) IOOF must, within 5 Business Days of such sale:
 - (A) remit to the Grantor the proceeds of the sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges); and
 - (B) to the extent the Overall Value per Share is less than the Value per Share offered under the relevant scheme of arrangement (as at the date the relevant scheme of arrangement becomes Effective), pay to the Grantor a cash sum in A\$ equal to the amount of this difference multiplied by the number of Option Shares, less the amount of all adjustment payments which have previously been paid to the Grantor under this clause 5.2 excluding any adjustment payments to the extent they related to proceeds of sale taken into account when calculating paragraph (a) of the definition of the Overall Value per Share;
- (c) clause 5.1(c):
 - (i) the Grantor must appoint IOOF as its nominee to, within 15 Business Days of the occurrence, sell on the financial market conducted by ASX all of the Non-Retained IOOF Shares, in such manner, at such price and on such other terms as the IOOF determines in good faith; and
 - (ii) IOOF must, within 5 Business Days of such sale:
 - (A) remit to the Grantor the proceeds of the sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges); and
 - (B) to the extent the Overall Value per Share is less than the Value per Share offered under the relevant Takeover Bid (as at the date the relevant Takeover Bid becomes unconditional), pay to the Grantor a cash sum in A\$ equal to the amount of this difference multiplied by the number of Option Shares, less the amount of all adjustment payments which have previously been paid to the Grantor under this clause 5.2 excluding any adjustment payments to the extent they related to proceeds of sale taken into account when calculating paragraph (a) of the definition of the Overall Value per Share; and

- (d) clause 5.1(d):
 - (i) the Grantor must appoint IOOF as its nominee to, within 15 Business Days of the occurrence, sell on the financial market conducted by ASX all of the Non-Retained IOOF Shares, in such manner, at such price and on such other terms as the IOOF determines in good faith; and
 - (ii) IOOF must, within 5 Business Days of such sale:
 - (A) remit to the Grantor the proceeds of the sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges); and
 - (B) to the extent the Overall Value per Share as at the date on which the event in 5.1(d) occurs is less than the Exercise Price as at the Completion Date, pay to the Grantor a cash sum in A\$ equal to the amount of this difference multiplied by the number of Option Shares.

5.3 Adjustment in respect of all Options

- (a) An adjustment of the Exercise Price under clause 5.1(a), 5.1(b) and 5.1(d) may only occur once and may still occur in relation to clause 5.1(a) or 5.1(b) even if any adjustment to the Exercise Price has already occurred under clause 5.1(c).
- (b) An adjustment of the Exercise Price under clause 5.1(c) may occur more than once and may occur even if an adjustment to the Exercise Price has already occurred under any paragraph in clause 5.1.

6 Grantor Call Option

6.1 Grant and exercise of Grantor Call Option

- (a) Subject to Completion occurring, IOOF grants the Grantor the Grantor Call Option.
- (b) Subject to clause 6.2, following commencement of the Grantor Exercise Period, the Grantor may exercise the Grantor Call Option by delivering to IOOF during the Grantor Exercise Period:
 - (i) a completed and executed Grantor Option Notice; and
 - (ii) a completed and executed Grantor Acceptance Deed.
- (c) The Grantor may only exercise the Grantor Call Option once and in respect of all Option Shares.

6.2 Lapse of Grantor Call Option

The Grantor Call Option automatically lapses 6 months after the End Date.

6.3 Parties bound

If the Grantor delivers the Grantor Option Notice and a Grantor Acceptance Deed under clause 6.1 then the Grantor, as purchaser, and IOOF, as seller, are immediately bound under a contract for the sale and purchase of the Option Shares.

6.4 Completion of Grantor Call Option purchase

If the Grantor exercises the Grantor Call Option under clause 6.1:

- (a) completion of the sale and purchase of the Option Shares will take place at 10.00am on the Grantor Completion Date at the offices of King & Wood Mallesons in Sydney or such other time and place as the Grantor and IOOF may agree;
- (b) on completion of the sale and purchase of the Option Shares pursuant to the exercise of the Grantor Call Option:
 - (i) IOOF must transfer or procure the transfer of the Option Shares to the Grantor or to its order in accordance with the terms of the Grantor Acceptance Deed;
 - (ii) IOOF and the Grantor must execute and deliver all necessary documents and give all necessary instruments to ensure that all right, title and interest in the Option Shares passes from the IOOF to the Grantor (or to its order) free from all Encumbrances;
 - (iii) the Grantor must pay the Grantor Purchase Price in respect of the Option Shares to IOOF in immediately available funds; and
 - (iv) IOOF must pay to the Grantor within 5 Business Days of written notice from the Grantor, the amount of any additional tax assessable on the Grantor or its beneficiaries by reason of the exercise of the Call Option and the Grantor Call Option compared to the tax that would have been assessable on the Grantor or its beneficiaries if the Call Option and the Grantor Call Option had not been exercised and the Grantor had instead only disposed of the Option Shares held by the Grantor at the date of this deed under the Takeover Bid.

7 Restraints

- (a) The obligations in this clause 7 operate separately in respect of:
 - (i) the Company; and
 - (ii) the Company and each Company Group member who is not the Company, and whom the Grantor represents, or for whose benefit the Grantor provides any services in the course of the Grantor's employment with the Company.
- (b) The Grantor makes the covenants in this clause 7 in consideration of IOOF entering into this deed.
- (c) Subject to the Scheme becoming Effective, IOOF agrees to waive, and to procure that each member of the Company Group waive, any other restraints applicable to the Grantor, or any other entity Controlled by the Grantor that is subject to a restraint, in any capacity except any restraint in any employment agreement where employment commences on or after the Implementation Date.
- (d) Subject to the Scheme becoming Effective, the Grantor agrees the following:
 - (i) the Grantor will not, directly or indirectly (whether as principal, agent, director, shareholder, partner, consultant, adviser or

otherwise) for the Restraint Period and within the Restraint Area, solicit to provide, or personally provide, services in relation to accounting, taxation, audit, financial planning, retirement, investment advice or investment management, stockbroking, finance broking, financial lending, corporate superannuation, or general insurance broking to any person who, during the final 12 months of the Grantor's employment with the Company:

- (A) was a client of the Company and with whom the Grantor had any dealings because of the Grantor's employment with the Company; or
 - (B) was a client of the Company Group other than the Company, and with whom the Grantor had any dealings on behalf of any member of the Company Group because of the Grantor's employment with the Company;
- (ii) the Grantor will not during the Restraint Period and within the Restraint Area either solely or jointly with any other person (whether as principal, agent, employee, director, shareholder, partner, consultant, adviser or otherwise), on the Grantor's own account, or for any other person directly or indirectly:
 - (A) solicit, endeavour to entice away, consult with or advise any person who was a client of the Company during the final 12 months of the Grantor's employment with the Company;
 - (B) solicit, endeavour to entice away, consult with or advise any person who was a client of another member of the Company Group during the final 12 months of the Grantor's employment with the Company; and
 - (C) solicit, interfere with or endeavour to entice away from a member of the Company Group, any person who was an employee of a member of the Company Group with whom the Grantor worked or had contact during the final 12 months of the Grantor's employment with the Company.
- (e) Each restriction in this clause 7 and the areas that comprise the Restraint Area and the periods that comprise the Restraint Period are intended to be separate and severable. If any of these are found to be invalid or ineffective, but would be valid or effective if some portion were deleted, then such portions will apply with such modifications as may be necessary to make them valid or effective.
- (f) The restraints in this clause 7 do not:
 - (i) prevent the Grantor from being interested as the holder of not more than 5% of the issued capital of any corporation whose shares are listed on a recognised stock exchange;
 - (ii) restrict the Grantor in taking any actions in respect of its own proprietary client accounts or those of its Associates or family members with the Company or the Company Group or with respect to its own investments or those of its Associates or family members; or

- (iii) apply in respect of any conduct undertaken by the Grantor by or on behalf of the Company, the Company Group or IOOF and its related bodies corporate.
- (g) Without limiting the range of (other) remedies available in respect of the breach, in the event that the Grantor is in breach of any of the Grantor's obligations under this clause 7, insofar as the breach relates to:
 - (i) clients, the Grantor shall pay to IOOF by way of liquidated damages, an amount calculated by reference to 5% of the funds invested by the relevant clients which are attracted away from investments based on advice given by or through the Company or the Company Group; or
 - (ii) clients who are listed on the database of the Company or the Company Group as a client or similar designation (or who should have been in the ordinary course of business), the Grantor shall pay to IOOF by way of liquidated damages, an amount calculated by reference to 5% of the funds invested by the relevant clients which are attracted away from investments based on advice given by, through or by reason of the Grantor of any party or parties for whom the Grantor is acting; or
 - (iii) clients who pay consulting fees and other fees to the Company or a Subsidiary, the Grantor shall pay to IOOF an amount calculated by reference to one times the annual consulting fees and other fees.

For the avoidance of doubt, where the Grantor has paid to IOOF an amount calculated under either subparagraph (g)(i), (g)(ii) or (g)(iii) above in respect of a breach, the Grantor is released from any further obligation to pay liquidated damages under any other subparagraph in this paragraph (g) in respect of that breach.

- (h) The parties agree that the amount of damages calculated pursuant to this clause 7 represent an estimate of the damages that would be suffered by IOOF and are not payable by way of penalty.
- (i) For the avoidance of doubt, it is expressly provided that the payment of damages under the provisions of this clause 7 shall satisfy and extinguish any separate claim by IOOF or a member of the Company Group (whether under an employment contract or otherwise) for damages arising from the same fact or event.
- (j) In this clause 7, "**Restraint Period**" means the period starting on the later of 12 months after the Implementation Date and the date of termination of the Grantor's employment with the Company and thereafter for, in the following order of priority:
 - (i) 1 year;
 - (ii) 9 months; and
 - (iii) 6 months.
- (k) In this clause 7, "**Restraint Area**" means in the following order of priority:
 - (i) Australia;

- (ii) each State and Territory in which the Grantor worked at an office of the Company or another Company Group during the final 12 months of the Grantor's employment with the Company;
 - (iii) the State and Territory in which the office of the Company or another Company Group from which the Grantor primarily worked during the final 12 months of the Grantor's employment with the Company is located;
 - (iv) within 50 kilometres of each office of the Company and any other Company Group member from which the Grantor worked during the final 12 months of the Grantor's employment with the Company; and
 - (v) within 50 kilometres of the office of the Company and any other Company Group member from which the Grantor primarily worked during the final 12 months of the Grantor's employment with the Company.
- (l) If the Grantor is also employed with, or engaged in or providing services to or on behalf of a business offering insurance products and debt products, references in this clause 7 to "5% of the funds invested by" shall be read (in relation to the Grantor and the business of supplying products of that kind) as referring to "100% of annual premiums paid by" (as well as to amounts calculated in accordance with the original wording in respect of other business).
- (m) If the Grantor is also employed with, or engaged in or providing services to or on behalf of a business offering all other services (including but not limited to accounting, taxation and audit services) references in this clause 7 to "5% of the funds invested by" shall be read (in relation to the Grantor and the business of supplying products of that kind) as referring to "100% of annual fees paid by" (as well as to amounts calculated in accordance with the original wording in respect of other business).

8 Representations and warranties

8.1 Grantor warranties

The Grantor warrants that:

- (a) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this deed.
- (b) **(No legal impediment)** the execution, delivery and performance of this deed does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which the Grantor is bound and which would prevent the Grantor from entering into and performing its obligations under this deed.
- (c) **(Solvency)** no application has been made, or has been threatened or is expected to be made, to a court for an order that the Grantor be declared bankrupt.
- (d) **(Ownership):**
 - (i) it is the legal and beneficial owner of the Option Shares; and
 - (ii) IOOF will acquire at Completion the full legal and beneficial ownership of the Option Shares free and clear of all

Encumbrances, subject to registration of IOOF in the register of shareholders.

- (e) **(No Encumbrances or other arrangements):** the Option Shares:
 - (i) are free and clear of all Encumbrances;
 - (ii) can be sold and transferred free of any competing rights, including pre-emptive rights or rights of first refusal; and
 - (iii) are fully paid and no money is owing in respect of them.
- (f) **(Legal advice)** the Grantor has received legal advice about the effect of this deed or has had an adequate and reasonable opportunity to seek and receive legal advice about the effect of this deed.

8.2 IOOF warranties

IOOF warrants that:

- (a) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this deed.
- (b) **(Corporate authorisations)** all necessary authorisations for the execution, delivery and performance by it of this deed in accordance with its terms have been obtained or will be obtained prior to Completion.
- (c) **(No legal impediment)** the execution, delivery and performance of this deed:
 - (i) complies with its constitution or other constituent documents (as applicable); and
 - (ii) does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which it is bound and which would prevent it from entering into and performing its obligations under this deed.
- (d) **(Solvency)**
 - (i) it has not gone, or proposed to go, into liquidation;
 - (ii) it has not passed a winding-up resolution or commenced steps for winding-up or dissolution;
 - (iii) it has not received a deregistration notice under section 601AB of the Corporations Act or any communication from ASIC that might lead to such a notice or applied for deregistration under section 601AA of the Corporations Act;
 - (iv) it has not been presented or threatened with a petition or other process for winding-up or dissolution and, so far as it is aware, there are no circumstances justifying a petition or other process;
 - (v) no receiver, receiver and manager, judicial manager, liquidator, administrator, official manager has been appointed, or is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of it, and, so far as it is aware, there are no circumstances justifying such an appointment; or

- (vi) it has not entered into, or taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them.
- (e) **(IOOF Shares):** the Grantor will acquire at Completion the full legal and beneficial ownership of the Grantor IOOF Shares free and clear of all Encumbrances, subject to registration of the Grantor in the register of shareholders and the relevant IOOF Shares when issued will be:
 - (i) free and clear of all Encumbrances;
 - (ii) able to be sold and transferred free of any competing rights, including pre-emptive rights or rights of first refusal;
 - (iii) duly and validly issued in accordance with all applicable laws and IOOF's constitution;
 - (iv) issued on terms such that each such relevant IOOF Share will rank equally in all respects with each existing fully paid ordinary share in IOOF; and
 - (v) fully paid and no money will be owing in respect of them, and IOOF will use all reasonable endeavours to ensure that such IOOF Shares are, from the date of issue, quoted for trading on the ASX.
- (f) **(Cleansing notice requirements):** as at the Completion Date, both:
 - (i) the requirements of each of sections 708A(5)(a), (b), (c), (d) and (e) of the Corporations Act are met in relation to IOOF and the IOOF Shares (if any) issued to the Grantor pursuant to the exercise of the Call Option under clause 3.1 (as applicable); and
 - (ii) no determination of ASIC under section 708A(2) of the Corporations Act is in force in relation to IOOF.

8.3 Survival of warranties

The warranties given in this clause 8:

- (a) survive the execution of this deed; and
- (b) are regarded as repeated at Completion with regard to the facts and circumstances then subsisting.

8.4 Reliance

Each party acknowledges that the other parties have entered into this deed and agreed to take part in the transactions that it contemplates in reliance on the warranties made or repeated in this clause.

8.5 Indemnity

Each party indemnifies the other parties against any loss, liability, damage, cost, charge and expense suffered or incurred as a result of its breach of this deed, other than clause 6.

9 Termination

9.1 Termination

This deed:

- (a) automatically terminates if the Call Option:
 - (i) has not been validly exercised by the end of the Call Option Period; or
 - (ii) lapses pursuant to clause 3.1(c); and
- (b) may be terminated by IOOF at any time prior to Completion by written notice to the Grantor, including in circumstances where IOOF has delivered a Call Option Notice. For the avoidance of doubt, if IOOF has terminated this deed, then the parties will not be obliged to comply with their obligations pursuant to clause 4 of this deed.

9.2 Effect of termination

On termination, this deed:

- (a) is of no further effect and (without prejudice to any accrued rights or obligations of the parties, which if the Call Option has been exercised, will include, all rights and obligations in connection with Completion) there are no continuing rights or obligations of the parties; and
- (b) the Grantor is absolutely entitled to retain the Option Fee.

10 Duties, costs and expenses

10.1 Stamp duty

- (a) IOOF must pay the stamp duty in respect of the execution, delivery and performance of:
 - (i) this deed; and
 - (ii) any agreement or document entered into or signed under this deed.
- (b) IOOF must pay any fine, penalty or other cost in respect of a failure to pay any stamp duty except to the extent that the fine, penalty or other cost is caused by an act or default on the part of the Grantor.
- (c) IOOF indemnifies the Grantor against any amount payable under clause 10.1(a) or clause 10.1(b) or both.

10.2 Costs and expenses

Each party must pay its own costs and expenses in relation to the negotiation, preparation, execution and delivery of this deed.

11 General

11.1 Notices and communications

- (a) Unless expressly stated otherwise, any communication under or in connection with this deed must be:
 - (i) in legible writing;
 - (ii) in English or accompanied by a certified translation into English; and
 - (iii) signed by the sender (if an individual) or an authorised officer of the sender; and
 - (iv) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.
- (b) Communications must be:
 - (i) left at the address set out or referred to in the Details;
 - (ii) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details; or
 - (iii) given in any other way permitted by law.

However, if the intended recipient has notified a changed address, then communications must be to that address.

- (c) Communications take effect from the time they are received, or taken to be received under clause 11.1(d) (whichever happens first) unless a later time is specified.
- (d) Communications are taken to be received if sent by post, three days after posting (or seven days after posting if sent from one country to another).
- (e) Despite clauses 11.1(c) and 11.1(d), if communications are received or taken to be received under clause 11.1(d) after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

11.2 Governing law and jurisdiction

- (a) This deed is governed by the laws of New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and courts competent to hear appeals from those courts.

11.3 Consents

Any consent referred to in, or required under, this deed from any party may not be unreasonably withheld, unless this deed expressly provides for that consent to be given in that party's absolute discretion.

11.4 Waivers

- (a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed by any party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed.
- (b) Any waiver or consent given by any party under this deed is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this deed operates as a waiver of another breach of that term or of a breach of any other term of this deed.

11.5 Variation

This deed may only be varied by a document signed by or on behalf of each of the parties.

11.6 Assignment

A party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this deed without the prior written consent of the other parties (which may be given or withheld in each of those party's absolute discretion), provided that IOOF may assign the benefit of this deed to a related body corporate.

11.7 Acknowledgement

The Grantor acknowledges that the remedy of damages alone may be inadequate to protect the interests of IOOF for breach by the Grantor of clause 4 and that IOOF is entitled to seek and obtain, without limitation, injunctive relief or specific performance if:

- (a) the Grantor fails to comply or threatens to fail to comply with clause 4; or
- (b) IOOF has reason to believe the Grantor will not comply with clause 4.

11.8 No third party beneficiary

This deed shall be binding on and enure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this deed is intended to or shall confer on any other persons any third party beneficiary rights.

11.9 Further action

Each party will do all things and execute all further documents necessary to give full effect to this deed.

11.10 Entire Agreement

This deed supersedes all previous agreements, understandings, negotiations or deeds in respect of its subject matter and embodies the entire deed between the parties.

11.11 Counterparts

- (a) This deed may be executed in any number of counterparts.

- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this deed by signing any counterpart.

11.12 Remedies cumulative

The rights, powers and remedies provided in this deed are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this deed.

11.13 Time of the essence

Time is of the essence of this deed in respect of any date or period determined under this deed.

11.14 Relationship of the parties

- (a) Nothing in this deed gives a party authority to bind any other party in any way.
- (b) Nothing in this deed imposes any fiduciary duties on a party in relation to any other party.

11.15 No merger

The rights and obligations of the parties do not merge on Completion. They survive the execution and delivery of any transfer or other document entered into for the purpose of Completion.

EXECUTED as a deed.

Call Option Deed

Schedule 1 – Call Option Notice

[insert date]

To: **[insert name of Grantor]**

Call Option Deed dated [insert] between [insert name of Grantor] and IOOF

In accordance with clause 3.1 of the Call Option Deed, IOOF exercises the Call Option in respect of the Option Shares.

Capitalised terms used in this notice have the same meaning as is given to those terms in the Call Option Deed.

The Completion Date is **[insert]** and Completion is to take place at **[insert]** on the Completion Date at the address set out below:

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Signed by **[insert]** for and on behalf of IOOF

Schedule 2 – Grantor Option Notice

[insert date]

To: The Directors of IOOF Holdings Limited

Call Option Deed dated [insert] between [insert name of Grantor] and IOOF

In accordance with clause 6.1 of the Call Option Deed, the Grantor exercises the Grantor Call Option in respect of the Option Shares.

Capitalised terms used in this notice have the same meaning as is given to those terms in the Call Option Deed.

The Grantor Completion Date is **[insert]** and completion is to take place at **[insert]** at the address set out below:

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Signed by **[insert Grantor]**

Schedule 3 – Grantor Acceptance Deed

[insert date]

To: The Directors of IOOF Holdings Limited

Call Option Deed dated [insert] between [insert name of Grantor] and IOOF

General

Any term used in this Grantor Acceptance Deed which is defined in the Call Option Deed dated [insert] (the **Deed**) between IOOF and the Grantor has the meaning given in that Deed.

Undertaking by the Grantor

The Grantor undertakes to IOOF to accept the IOOF Takeover Bid immediately following the completion of the sale and purchase of the Option Shares pursuant to the Grantor's exercise of the Grantor Call Option under clause 6.1 of the Deed.

Power of Attorney

The Grantor irrevocably authorises IOOF and appoints IOOF as its attorney to sign all documents, give all instructions and perform all actions as IOOF thinks necessary or desirable to give effect to the acceptance by the Grantor of the IOOF Takeover Bid and to enable the registration of the transfer of the Option Shares to IOOF pursuant to the terms of the IOOF Takeover Bid. The Grantor agrees to deliver to IOOF upon demand such powers of attorney, instruments of transfer and other instruments as IOOF may require for the purposes of this Acceptance Deed.

Signed by [insert Grantor]

Signing page

DATED: 16 MAY 2014

**EXECUTED by IOOF HOLDINGS
LIMITED** in accordance with section
127(1) of the Corporations Act 2001
(Cwlth) by authority of its directors:

.....
Signature of director

.....
Name of director (block letters)

.....
Signature of director/company
secretary*

*delete whichever is not applicable

.....
Name of director/company secretary*
(block letters)

*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by **ANTHONY KEVIN FENNING** in the
presence of:

.....
Signature of witness

ADAM PENNY
Name of witness (block letters)

.....
Signature of **ANTHONY KEVIN
FENNING**

Signing page

DATED: 16 MAY 2014

**EXECUTED by IOOF HOLDINGS
LIMITED** in accordance with section
127(1) of the Corporations Act 2001
(Cwlth) by authority of its directors:

.....
Signature of director

.....
Name of director (block letters)

SIGNED, SEALED AND DELIVERED
by **ANTHONY KEVIN FENNING** in the
presence of:

.....
Signature of witness

ADAM PENNY
Name of witness (block letters)

.....
Signature of director/company
secretary*

*delete whichever is not applicable

.....
Name of director/company secretary*
(block letters)

*delete whichever is not applicable

.....
Signature of **ANTHONY KEVIN
FENNING**

Signing page

DATED: _____

**EXECUTED by IOOF HOLDINGS
LIMITED** in accordance with section
127(1) of the Corporations Act 2001
(Cw/ith) by authority of its directors:



Signature of director

CHRIS KELLAUER

Name of director (block letters)



Signature of director/company
secretary*

*delete whichever is not applicable

Vanille S Corcoran

Name of director/company secretary*
(block letters)

*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by **ANTHONY KEVIN FENNING** in the
presence of:

Signature of witness

Name of witness (block letters)

Signature of **ANTHONY KEVIN
FENNING**

Call Option Deed

Dated 16 MAY 2014

IOOF Holdings Limited (ACN 100 1303 722) ("IOOF")

Sam Gannon Pty Ltd as trustee for The J B Gannon Family Trust
("Grantor")

John Bryant Gannon ("Covenantor")

King & Wood Mallesons
Level 50
Bourke Place
600 Bourke Street
Melbourne VIC 3000
Australia
T +61 3 9643 4000
F +61 3 9643 5999
DX 101 Melbourne
www.kwm.com

Call Option Deed

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Call Option Deed

Details

Parties		IOOF and Grantor
IOOF	Name	IOOF Holdings Limited
	ACN	100 1303 722
	Address	Level 6 161 Collins Street Melbourne 3000
	Telephone	(03) 8614 4746
	Attention	Gary Riordan
Grantor	Name	Sam Gannon Pty Ltd as trustee for The J B Gannon Family Trust
	ACN	008 819 092
	Address	21 Tristania Rise Duncraig Western Australia 6023
Covenantor	Name	John Bryant Gannon
	Address	21 Tristania Rise Duncraig Western Australia 6023
Recitals	A	The Company intends to propose the Scheme pursuant to which IOOF will acquire all the ordinary shares of the Company.
	B	The Grantor has agreed to grant the Call Option to IOOF on the terms and conditions set out in this deed.
	C	IOOF has agreed to grant the Grantor Call Option to the Grantor on the terms and conditions set out in this deed.
	D	The Covenantor has agreed to make the covenants in clause 7 of this deed.
Governing law	New South Wales	
Date of agreement	See Signing page	

Call Option Deed

General terms

1 Definitions and interpretation

1.1 Deed components

This deed includes any schedule.

1.2 Definitions

The meanings of the terms used in this deed are set out below.

Associate has the meaning given in section 12 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates.

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).

Board means the board of directors of the Company.

Business Day means a day in Sydney that is not a Saturday, Sunday or public holiday and on which banks and ASX are open for trading.

Call Option means the call option granted to IOOF under clause 2.1.

Call Option Notice means a notice in the form set out in Schedule 1 to this deed.

Call Option Period means the period commencing on the date of this deed and ending on the End Date.

Cash Consideration Component means the amount of cash per Share (if any) that IOOF proposes to pay under the Superior Proposal or, if there are alternative forms of consideration under the Superior Proposal, the amount of cash per Share (if any) under the alternative elected or deemed to have been elected by the Grantor under clause 3.7.

CHESS means the Clearing House Electronic Subregistry System operated by ASX Settlement Pty Ltd (ACN 008 504 532) and ASX Clear Pty Ltd (ACN 001 314 503).

Company means SFG Australia Limited ACN 006 490 259.

Company Group means the Company and its Subsidiaries as at the date of this deed.

Competing Proposal means any proposal, agreement, arrangement or transaction, which, if entered into or completed, would mean a Third Party (either alone or together with any Associate) would:

- (a) directly or indirectly acquire a Relevant Interest in, or have the right to acquire, a legal, beneficial or economic interest in, or control of, more than 20% of the Shares of the Company;

- (b) acquire Control of the Company;
- (c) otherwise acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an exclusive economic interest in all or a material part of the Company's business or assets or the business or assets of the Company's Group;
- (d) otherwise acquire (whether directly or indirectly) or merge with the Company; or
- (e) enter into any agreement, arrangement or understanding requiring the Company to abandon, or otherwise fail to proceed with, the Transaction,

whether by way of takeover bid, scheme of arrangement, security holder approved acquisition, capital reduction or buy back, sale or purchase of shares, securities or assets, global assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), or other transaction or arrangement.

Completion means the settlement of the sale of Option Shares in accordance with clause 4.

Completion Date means the date which is 5 Business Days after the later of the date on which the Call Option is exercised in accordance with clause 3.1.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

Court means the Federal Court of Australia, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by IOOF and the Company.

Deal means:

- (i) sell, assign, transfer, declare a trust over or otherwise dispose of;
- (ii) agree or offer to sell, assign, transfer or otherwise dispose of;
- (i) enter into any option which, if exercised, enables or requires the person to sell, assign, transfer, declare a trust over or otherwise dispose of;
- (ii) enter into any swap or any other form of synthetic instrument or arrangement which provides the Grantor or the counterparty economic exposure to the Shares; or
- (iii) create or agree or offer to create or permit to be created any interest or Encumbrance.

Effective means when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Encumbrance means a mortgage, charge, pledge, lien, hypothecation or third party interest of any kind whatsoever, or an agreement to create any of them or to allow any of them to exist.

End Date means the earliest to occur of:

- (a) 31 December 2014;
- (b) the date the Implementation Agreement is terminated in accordance with its terms; and
- (c) the implementation date of the Scheme,

or such other date as agreed in writing by the parties.

Exercise Price means, in respect of each Option Share, the consideration per Share that IOOF proposes to pay under the Superior Proposal.

Exercise Adjustment means the payments referred to in clause 5.2.

Grantor Acceptance Deed means a notice in the form set out in Schedule 3 to this deed.

Grantor Completion Date means the date which is 5 Business Days after the date on which the Grantor Call Option is exercised in accordance with clause 6.1.

Grantor Call Option means the option to purchase the Option Shares granted by IOOF in favour of the Grantor under clause 6.1.

Grantor Exercise Period means the period:

- (a) commencing on the date on which an IOOF Takeover Bid becomes unconditional provided that, on that date, the Value per Share offered under that IOOF Takeover Bid is greater than the Exercise Price; and
- (b) ending 3 Business Days after the date specified in paragraph (a) above.

Grantor IOOF Shares means the IOOF Shares issued to the Grantor pursuant to the exercise of the Call Option under clause 3.1.

Grantor Option Notice means a notice in the form set out in Schedule 2 to this deed.

Grantor Purchase Price means:

- (a) the amount equal to:
 - (i) the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) of any Sold IOOF Shares;
 - (ii) *plus* the Value of the Scrip Consideration Component of the Exercise Price as at the Grantor Completion Date in respect of any Grantor IOOF Shares still held by the Grantor as at the Grantor Completion Date *multiplied by* the number of Grantor IOOF Shares still held by the Grantor as at the Grantor Completion Date;
- (b) *plus* the Cash Consideration Component of the Exercise Price multiplied by the number of Option Shares;
- (c) *plus* the amount of all adjustment payments which have previously been paid by IOOF to the Grantor under clause 5.2 other than to the extent already taken into account in paragraph (a)(i); and
- (d) *minus* the cash value of any Rights received by IOOF after the Completion Date in respect of the Option Shares.

Group means the Company and each of its subsidiaries.

Implementation Deed means the scheme implementation deed dated on or around the date of this deed between the Company and IOOF relating to the implementation of the Scheme.

IOOF Shares means fully paid ordinary shares in the capital of IOOF.

IOOF Takeover Bid means a Takeover Bid made by IOOF, or any Associate of IOOF that is not a Third Party.

New IOOF Shares means a fully paid ordinary share in IOOF to be issued to Scheme Shareholders under the Scheme.

Non-Retained IOOF Shares means, in respect of an Exercise Adjustment, the number of Grantor IOOF Shares equal to:

- (a) the number of Grantor IOOF Shares held by the Grantor as at the date of the relevant Exercise Adjustment;
- (b) *minus* the number of Retained IOOF Shares (if any).

Option Fee means A\$10.00.

Option Shares means 33,899,099 Shares.

Overall Value per Share means, in respect of an Exercise Adjustment:

- (a) the proceeds of all sales by or on behalf of the Grantor of Grantor IOOF Shares (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) whether in respect of Exercise Adjustments performed under clauses 5.1(b), 5.1(c) or 5.1(d) or otherwise and including the Sold IOOF Shares;
- (b) *plus* the volume weighted average price (excluding all off-market transactions) of IOOF Shares on ASX over the 15 trading days ending on the day prior to the relevant date multiplied by the number of Retained IOOF Shares (if any);
- (c) *plus* the Cash Consideration Component of the Exercise Price multiplied by the number of Option Shares,

divided by the number of Option Shares.

Purchase Consideration means the aggregate of the Cash Consideration Component and the Scrip Consideration Component.

Restraint Area has the meaning given in clause 7(k).

Restraint Period has the meaning given in clause 7(j).

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Retained IOOF Shares means, in respect of an Exercise Adjustment, that number of Grantor IOOF Shares notified by the Grantor to IOOF under clause 5.2(a).

Rights means all accretions and rights attaching to or arising from the Option Shares (including without limitation, all rights to receive dividends, returns of capital and other distributions declared or paid and to receive or subscribe for

shares, notes, options or other securities or entitlements) declared, paid or issued by the Company after the Completion Date.

Sale Value per Share means the proceeds of all sales (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) in respect of an Exercise Adjustment performed under clauses 5.1(b), 5.1(c) or 5.1(d) divided by the number of Option Shares.

Scheme means a transaction proposed by the Company to its shareholders pursuant to Part 5.1 of the *Corporations Act* 2001 pursuant to which IOOF or any of its related bodies corporate proposes to acquire all of the shares in the Company.

Scheme Meeting means the meeting of the Company's shareholders ordered by the Court to be convened under section 411(1) of the *Corporations Act* to implement the Scheme.

Scrip Consideration Component means such number of New IOOF Shares (if any) for each Share that IOOF proposes to issue under the Superior Proposal or, if there are alternative forms of consideration under the Superior Proposal, such number of New IOOF Shares (if any) under the alternative elected or deemed to have been elected by the Grantor under clause 3.7.

Share means an ordinary share in the capital of the Company.

Sold IOOF Shares means any Grantor IOOF Shares sold by the Grantor on the financial market conducted by ASX before the time any Exercise Adjustment is due to be made under clause 5.2(b), 5.2(c) or 5.2(d).

Subsidiary has the meaning given in the *Corporations Act*.

Superior Proposal means a proposal that is provided by IOOF to the Board, in response to a Competing Proposal and which the Board determines in good faith is more favourable to the Company's shareholders than the Competing Proposal.

Takeover Bid means a takeover bid under Chapter 6 of the *Corporations Act* to acquire at least 50% of the issued Shares.

Third Party means a person other than IOOF and any Associate of IOOF (except any person who is an Associate of IOOF merely because IOOF or any of its related bodies corporate has agreed to dispose of Shares to that person or has agreed to vote in favour of or otherwise support any Competing Proposal by that person).

Transaction means the acquisition of the Company through implementation of the Scheme.

Value means in relation to any consideration (including the Exercise Price) at any time:

- (i) if all or any part of the consideration is a cash sum in A\$, that A\$ value;
- (ii) if the consideration is a cash sum denominated in a currency other than Australian dollars, the value of the consideration will be based on its Australian dollar equivalent applying the WM/Reuters Closing Spot Exchange Rate published at 4pm London time on the relevant date;
- (iii) if all or any part of the consideration is in a form of securities in an entity listed on any securities exchange, the consideration will

be valued based on the volume weighted average price (excluding all off-market transactions) of the relevant securities over the 5 trading days ending on the day prior to the relevant date on the primary exchange on which the relevant securities are quoted. If that price is quoted in a currency other than Australian dollars that price must be converted into Australian dollars applying the WM/Reuters Closing Spot Exchange Rate published at 4pm London time on the relevant date;

- (iv) in any other case, the value in A\$:
 - (A) as agreed by the Grantor and IOOF (acting reasonably); or
 - (B) in the absence of agreement, as determined by an independent expert (acting as expert and not arbitrator and on behalf of both the Grantor and IOOF whose decision will be, in the absence of manifest error, final and binding on both the Grantor and IOOF) the identity of which is agreed by the Grantor and IOOF (or in the absence of agreement, such person as nominated by the National President of the Institute of Chartered Accountants).

1.3 Interpretation

In this deed, headings are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any government agency;
- (e) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to this deed, and a reference to this deed includes any attachment, exhibit and schedule;
- (f) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) a reference to any document (including this deed) is to that document as varied, novated, ratified or replaced from time to time;
- (h) the word 'includes' in any form is not a word of limitation;
- (i) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (j) a reference to any time is to the time in Sydney, Australia;

- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this deed; and
- (l) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Contra proferentem excluded

No term or condition of this deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this deed or a provision of it.

2 Call Option

2.1 Call Option

- (a) In consideration of the payment of the Option Fee, the Grantor irrevocably grants the Call Option to IOOF.
- (b) The Grantor acknowledges receipt of the Option Fee.
- (c) The Grantor irrevocably grants to IOOF the right to require the Grantor to sell the Option Shares to IOOF for the Exercise Price and on and subject to the terms and conditions of this deed.

2.2 No dealing in Option Shares

From the date of this deed until:

- (a) if a Call Option Notice has not been served, the end of the Call Option Period;
- (b) if a Call Option Notice has been served and this deed has not been terminated in accordance with clause 9.1(b), the Completion Date; or
- (c) if a Call Option Notice has been served and this deed has been terminated in accordance with clause 9.1(b), the date of termination of this deed,

the Grantor may not Deal in the Option Shares except as contemplated under this deed.

2.3 Right to dispose of Shares not affected

Nothing in this deed restricts or will be taken to restrict the Grantor's right to Deal in Shares, other than the Option Shares, with another party.

2.4 Right to vote Shares not affected

Nothing in this deed will be taken to restrict:

- (b) the ability of the Grantor to exercise the votes attaching to any Share (including any Option Share) in the Grantor's absolute discretion before the Call Option is exercised in respect of the Option Shares; and
- (c) the Grantor's right to vote for or against any resolution proposed in relation to the Company (including any resolution in relation to a Scheme).

3 Exercise

3.1 Call Option Exercise

- (a) IOOF may only exercise the Call Option if:
 - (i) there is a Competing Proposal; and
 - (ii) a Superior Proposal has been publicly announced by the Board (**Superior Proposal Announcement**).
- (b) If the pre-conditions to exercise in clause 3.1(a) have been fulfilled, IOOF may exercise the Call Option by signing and delivering to the Grantor a Call Option Notice at any time prior to the end of the 20th Business Day after the date on which the Superior Proposal Announcement was made.
- (c) If the Call Option is not exercised during the period referred to in clause 3.1(b) the Call Option will lapse.

3.2 Call Option Notice

The Call Option may be exercised, and a Call Option Notice may be given, once in respect of all of the Option Shares.

3.3 Time of exercise

The Call Option is taken to have been exercised at the time when a signed Call Option Notice is delivered in accordance with clause 3.1.

3.4 Sale and purchase

Subject to clause 9.1(b), upon exercise of a Call Option, the Grantor agrees to sell and transfer to IOOF, and IOOF agrees to purchase from the Grantor, all of the Option Shares for the Exercise Price on the terms and conditions of this deed.

3.5 Transfer of Option Shares

The Option Shares must be transferred:

- (a) free from any Encumbrances; and
- (b) must include only such dividend rights or other entitlements, attached or accruing to them on and from the date of exercise of the Call Option, to which IOOF would have been entitled if the Option Shares were acquired under any Superior Proposal and not under this deed.

3.6 Compensation for dividends and other entitlements after Completion

To the extent that IOOF becomes entitled to dividend rights or other entitlements in respect of the Option Shares after Completion to which the Grantor would have been entitled if the Option Shares were acquired under any Superior Proposal and not under this deed, IOOF must pay the Grantor a cash amount equal to the Value of the dividend or other entitlement plus, in the case of any dividend, a cash amount equal to the imputation credit that would have been attributable to the dividend based on the franking percentage that would have been applicable under the Superior Proposal, promptly after receipt by IOOF.

3.7 Election Notice

If any Superior Proposal provides for alternative forms of consideration, at least 2 Business Days before the Completion Date, the Grantor may provide to IOOF a written election in relation to the alternative form of consideration it wishes to receive under clause 4.4. If the Grantor does not make an election in accordance with this clause 3.7, then the Grantor will be deemed to have elected the alternative which contains the highest amount of cash per Share.

4 Completion

4.1 Time and place of Completion

If the Call Option is exercised, completion of the sale and purchase of the Option Shares will take place at 10.00am on the Completion Date at the offices of King & Wood Mallesons in Sydney or such other time and place as the Grantor and IOOF may agree.

4.2 Steps to occur at Completion

On the Completion Date:

- (a) the Grantor must transfer or procure the transfer of the Option Shares to IOOF (or to any related body corporate nominated by IOOF); and
- (b) IOOF and the Grantor must execute and deliver all necessary documents and give all necessary instruments to ensure that all right, title and interest in the Option Shares passes from the Grantor to IOOF free from all Encumbrances.

4.3 Transfers

Without limitation, the Option Shares are deemed to have been transferred pursuant to clause 4.2(b):

- (a) on the transfer of title in accordance with the ASX Settlement Operating Rules and procedures of CHESS (or such other computer based system which provides for the recording and transfer of title by way of electronic entries, delivery and transfer of title, used by the Company from time to time); or
- (b) by such other manner as agreed between the Grantor and IOOF.

4.4 Payment of Purchase Consideration

If the Grantor complies with its obligations under clause 4.2 then IOOF must:

- (a) pay the Cash Consideration Component to the Grantor in immediately available funds on the Completion Date; and

- (b) issue or procure the issue of the Scrip Consideration Component to the Grantor on the Completion Date.

4.5 Obligations

- (a) Each of the obligations in this clause 4 is interdependent.
- (b) Subject to IOOF complying with clause 4.4, the Grantor grants to IOOF a power of attorney to complete and execute all documents (under hand or under seal) and take any actions on the Grantor's behalf (including giving any necessary directions to the Company) which are necessary or convenient to give effect to the transfer of the Option Shares.
- (c) IOOF will issue a notice under section 708A(5)(e)(i) of the Corporations Act, which complies with the requirements of section 708A(b) of the Corporations Act, as soon as practicable after the Completion Date.

5 Post-Completion adjustment

5.1 Adjustment of Exercise Price

Subject to Completion occurring, if before the date that is 6 months after the End Date:

- (a) the Scheme becomes Effective and as at that date, the Value per Share offered under the Scheme is greater than the Exercise Price;
- (b) a scheme of arrangement under Part 5.1 of the Corporations Act made by a Third Party becomes Effective and as at that date, the Value per Share offered under that scheme of arrangement is greater than the Exercise Price;
- (c) a Takeover Bid made by a Third Party becomes unconditional and the Value per Share offered under that Takeover Bid as at the date the Takeover Bid becomes unconditional is greater than the Exercise Price; or
- (d) the Scheme does not become Effective and none of the circumstances in paragraphs (a), (b) or (c) above have occurred before 6 months after the End Date,

then:

- (e) IOOF must notify the Grantor of the relevant occurrence; and
- (f) the parties must perform the relevant Exercise Adjustment.

5.2 Exercise Adjustment

If the parties are required to perform an Exercise Adjustment under clause 5.1(f) in respect of an occurrence of the nature described in clauses 5.1(b), 5.1(c) or 5.1(d), the parties agree that, within 2 Business Days of such occurrence, the Grantor may provide written notice to IOOF of that number of Grantor IOOF Shares it holds that it does not wish to be sold under the relevant Exercise Adjustment (**Retained IOOF Shares**) and must provide written notice to IOOF of the number of Sold IOOF Shares.

If the parties are required to perform an Exercise Adjustment under clause 5.1(f), the parties agree that, in respect of an occurrence of the nature described in:

- (a) clause 5.1(a), within 5 Business Days of the occurrence, IOOF must pay to the Grantor a cash sum in A\$ equal to the difference in Value between the Exercise Price and the Value per Share offered under the Scheme (as at the date the Scheme becomes Effective) multiplied by the number of Option Shares, less the amount of all adjustment payments which have previously been paid to the Grantor under this clause 5.2;
- (b) clause 5.1(b):
 - (i) the Grantor must appoint IOOF as its nominee to, within 15 Business Days of the occurrence, sell on the financial market conducted by ASX all of the Non-Retained IOOF Shares, in such manner, at such price and on such other terms as IOOF determines in good faith; and
 - (ii) IOOF must, within 5 Business Days of such sale:
 - (A) remit to the Grantor the proceeds of the sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges); and
 - (B) to the extent the Overall Value per Share is less than the Value per Share offered under the relevant scheme of arrangement (as at the date the relevant scheme of arrangement becomes Effective), pay to the Grantor a cash sum in A\$ equal to the amount of this difference multiplied by the number of Option Shares, less the amount of all adjustment payments which have previously been paid to the Grantor under this clause 5.2 excluding any adjustment payments to the extent they related to proceeds of sale taken into account when calculating paragraph (a) of the definition of the Overall Value per Share;
- (c) clause 5.1(c):
 - (i) the Grantor must appoint IOOF as its nominee to, within 15 Business Days of the occurrence, sell on the financial market conducted by ASX all of the Non-Retained IOOF Shares, in such manner, at such price and on such other terms as the IOOF determines in good faith; and
 - (ii) IOOF must, within 5 Business Days of such sale:
 - (A) remit to the Grantor the proceeds of the sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges); and
 - (B) to the extent the Overall Value per Share is less than the Value per Share offered under the relevant Takeover Bid (as at the date the relevant Takeover Bid becomes unconditional), pay to the Grantor a cash sum in A\$ equal to the amount of this difference multiplied by the number of Option Shares, less the amount of all adjustment payments which have previously been paid to the Grantor under this clause 5.2 excluding any adjustment payments to the extent they related to proceeds of sale taken into account when calculating paragraph (a) of the definition of the Overall Value per Share; and

- (d) clause 5.1(d):
 - (i) the Grantor must appoint IOOF as its nominee to, within 15 Business Days of the occurrence, sell on the financial market conducted by ASX all of the Non-Retained IOOF Shares, in such manner, at such price and on such other terms as the IOOF determines in good faith; and
 - (ii) IOOF must, within 5 Business Days of such sale:
 - (A) remit to the Grantor the proceeds of the sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges); and
 - (B) to the extent the Overall Value per Share as at the date on which the event in 5.1(d) occurs is less than the Exercise Price as at the Completion Date, pay to the Grantor a cash sum in A\$ equal to the amount of this difference multiplied by the number of Option Shares.

5.3 Adjustment in respect of all Options

- (a) An adjustment of the Exercise Price under clause 5.1(a), 5.1(b) and 5.1(d) may only occur once and may still occur in relation to clause 5.1(a) or 5.1(b) even if any adjustment to the Exercise Price has already occurred under clause 5.1(c).
- (b) An adjustment of the Exercise Price under clause 5.1(c) may occur more than once and may occur even if an adjustment to the Exercise Price has already occurred under any paragraph in clause 5.1.

5.4 Dividend Payment

- (a) If, following the exercise of the Call Option by IOOF, the Grantor advises in writing to IOOF that the Grantor is unable to fund the payment of any tax assessable on the Grantor or its beneficiaries that has arisen as a result of the exercise of the Call Option other than by applying the proceeds of a sale of any of the Grantor IOOF Shares, the Grantor will notify IOOF of the number of Grantor IOOF Shares it has sold for this purpose (**Dividend Top Up Shares**) and the date that it sold the Dividend Top Up Shares.
- (b) IOOF will pay to the Grantor a cash amount equal to the Value of any dividend or other entitlement that the Grantor would have received if it had continued to hold the Dividend Top Up Shares at any time in the 2 years after the Completion Date plus, in the case of any dividend, a cash amount equal to the imputation credit that would have been attributable to the dividend within 5 Business Days of such dividend or entitlement having been paid by IOOF in respect of IOOF Shares.

6 Grantor Call Option

6.1 Grant and exercise of Grantor Call Option

- (a) Subject to Completion occurring, IOOF grants the Grantor the Grantor Call Option.
- (b) Subject to clause 6.2, following commencement of the Grantor Exercise Period, the Grantor may exercise the Grantor Call Option by delivering to IOOF during the Grantor Exercise Period:

- (i) a completed and executed Grantor Option Notice; and
 - (ii) a completed and executed Grantor Acceptance Deed.
- (c) The Grantor may only exercise the Grantor Call Option once and in respect of all Option Shares.

6.2 Lapse of Grantor Call Option

The Grantor Call Option automatically lapses 6 months after the End Date.

6.3 Parties bound

If the Grantor delivers the Grantor Option Notice and a Grantor Acceptance Deed under clause 6.1 then the Grantor, as purchaser, and IOOF, as seller, are immediately bound under a contract for the sale and purchase of the Option Shares.

6.4 Completion of Grantor Call Option purchase

If the Grantor exercises the Grantor Call Option under clause 6.1:

- (a) completion of the sale and purchase of the Option Shares will take place at 10.00am on the Grantor Completion Date at the offices of King & Wood Mallesons in Sydney or such other time and place as the Grantor and IOOF may agree;
- (b) on completion of the sale and purchase of the Option Shares pursuant to the exercise of the Grantor Call Option:
 - (i) IOOF must transfer or procure the transfer of the Option Shares to the Grantor or to its order in accordance with the terms of the Grantor Acceptance Deed;
 - (ii) IOOF and the Grantor must execute and deliver all necessary documents and give all necessary instruments to ensure that all right, title and interest in the Option Shares passes from the IOOF to the Grantor (or to its order) free from all Encumbrances; and
 - (iii) the Grantor must pay the Grantor Purchase Price in respect of the Option Shares to IOOF in immediately available funds; and
 - (iv) IOOF must pay to the Grantor within 5 Business Days of written notice from the Grantor, the amount of any additional tax assessable on the Grantor or its beneficiaries by reason of the exercise of the Call Option and the Grantor Call Option compared to the tax that would have been assessable on the Grantor or its beneficiaries if the Call Option and the Grantor Call Option had not been exercised and the Grantor had instead only disposed of the Option Shares held by the Grantor at the date of this deed under the Takeover Bid.

7 Restraints

- (a) The obligations in this clause 7 operate separately in respect of:
 - (i) the Company; and

- (ii) the Company and each Company Group member who is not the Company, and whom the Covenantor represents, or for whose benefit the Covenantor provides any services in the course of the Covenantor's employment with the Company.
- (b) The Covenantor makes the covenants in this clause 7 in consideration of IOOF entering into this deed.
- (c) Subject to the Scheme becoming Effective, IOOF agrees to waive, and to procure that each member of the Company Group waive, any other restraints applicable to the Covenantor or the Grantor in any capacity.
- (d) Subject to the Scheme becoming Effective, the Covenantor agrees the following:
 - (i) the Covenantor will not, directly or indirectly (whether as principal, agent, director, shareholder, partner, consultant, adviser or otherwise) for the Restraint Period and within the Restraint Area, solicit to provide, or personally provide, services in relation to accounting, taxation, audit, financial planning, retirement, investment advice or investment management, stockbroking, finance broking, financial lending, corporate superannuation, or general insurance broking to any person who, during the final 12 months of the Covenantor's employment with the Company:
 - (A) was a client of the Company and with whom the Covenantor had any dealings because of the Covenantor's employment with the Company; or
 - (B) was a client of the Company Group other than the Company, and with whom the Covenantor had any dealings on behalf of any member of the Company Group because of the Covenantor's employment with the Company;
 - (ii) the Covenantor will not during the Restraint Period and within the Restraint Area either solely or jointly with any other person (whether as principal, agent, employee, director, shareholder, partner, consultant, adviser or otherwise), on the Covenantor's own account, or for any other person directly or indirectly:
 - (A) solicit, endeavour to entice away, consult with or advise any person who was a client of the Company during the final 12 months of the Covenantor's employment with the Company;
 - (B) solicit, endeavour to entice away, consult with or advise any person who was a client of another member of the Company Group during the final 12 months of the Covenantor's employment with the Company; and
 - (C) solicit, interfere with or endeavour to entice away from a member of the Company Group, any person who was an employee of a member of the Company Group with whom the Covenantor worked or had contact during the final 12 months of the Covenantor's employment with the Company.
- (e) Each restriction in this clause 7 and the areas that comprise the Restraint Area and the periods that comprise the Restraint Period are

intended to be separate and severable. If any of these are found to be invalid or ineffective, but would be valid or effective if some portion were deleted, then such portions will apply with such modifications as may be necessary to make them valid or effective.

- (f) The restraints in this clause 7 do not:
- (i) prevent the Covenantor from being interested as the holder of not more than 5% of the issued capital of any corporation whose shares are listed on a recognised stock exchange;
 - (ii) restrict the Covenantor in taking any actions in respect of its own proprietary client accounts or those of its Associates or family members or the Grantor with the Company or the Company Group or with respect to its own investments or those of its Associates or the Grantor; or
 - (iii) apply in respect of any conduct undertaken by the Covenantor by or on behalf of the Company, the Company Group or IOOF and its related bodies corporate.
- (g) Without limiting the range of (other) remedies available in respect of the breach, in the event that the Covenantor is in breach of any of the Covenantor's obligations under this clause 7, insofar as the breach relates to:
- (i) clients, the Covenantor shall pay to IOOF by way of liquidated damages, an amount calculated by reference to 5% of the funds invested by the relevant clients which are attracted away from investments based on advice given by or through the Company or the Company Group; or
 - (ii) clients who are listed on the database of the Company or the Company Group as a client or similar designation (or who should have been in the ordinary course of business), that Covenantor shall pay to IOOF by way of liquidated damages, an amount calculated by reference to 5% of the funds invested by the relevant clients which are attracted away from investments based on advice given by, through or by reason of the Covenantor of any party or parties for whom the Covenantor is acting; or
 - (iii) clients who pay consulting fees and other fees to the Company or a Subsidiary, the Covenantor shall pay to IOOF an amount calculated by reference to one times the annual consulting fees and other fees.

For the avoidance of doubt, where the Covenantor has paid to IOOF an amount calculated under either subparagraph (g)(i), (g)(ii) or (g)(iii) above in respect of a breach, the Covenantor is released from any further obligation to pay liquidated damages under any other subparagraph in this paragraph (g) in respect of that breach.

- (h) The parties agree that the amount of damages calculated pursuant to this clause 7 represent any estimate of the damages suffered by IOOF and are not payable by way of penalty.
- (i) For the avoidance of doubt, it is expressly provided that the payment of damages under the provisions of this clause 7 shall satisfy and extinguish any separate claim by IOOF or a member of the Company

Group (whether under an employment contract or otherwise) for damages arising from the same fact or event.

- (j) In this clause 7, "**Restraint Period**" means the duration of the Covenantor's employment with the Company and thereafter for, in the following order of priority:
 - (i) 2 years from the termination of the Covenantor's employment with the Company;
 - (ii) 1 year from the termination of the Covenantor's employment with the Company;
 - (iii) 9 months from the termination of the Covenantor's employment with the Company; and
 - (iv) 6 months from the termination of the Covenantor's employment with the Company.
- (k) In this clause 7, "**Restraint Area**" means in the following order of priority:
 - (i) Australia;
 - (ii) each State and Territory in which the Covenantor worked at an office of the Company or another Company Group during the final 12 months of the Covenantor's employment with the Company;
 - (iii) the State and Territory in which the office of the Company or another Company Group from which the Covenantor primarily worked during the final 12 months of the Covenantor's employment with the Company is located;
 - (iv) within 50 kilometres of each office of the Company and any other Company Group member from which the Covenantor worked during the final 12 months of the Covenantor's employment with the Company; and
 - (v) within 50 kilometres of the office of the Company and any other Company Group member from which the Covenantor primarily worked during the final 12 months of the Covenantor's employment with the Company.
- (l) If the Covenantor is also employed with, or engaged in or providing services to or on behalf of a business offering insurance products and debt products, references in this clause 7 to "5% of funds invest by" shall be read (in relation to the Covenantor and the business of supplying products of that kind) as referring to "100% of annual premiums paid by" (as well as to amounts calculated in accordance with the original wording in respect of other business).
- (m) If the Covenantor is also employed with, or engaged in or providing services to or on behalf of a business offering all other services (including but not limited to accounting, taxation and audit services) references in this clause 7 to "5% of funds invest by" shall be read (in relation to the Covenantor and the business of supplying products of that kind) as referring to "100% of annual fees paid by" (as well as to amounts calculated in accordance with the original wording in respect of other business).

8 Representations and warranties

8.1 Grantor warranties

The Grantor warrants that:

- (a) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this deed.
- (b) **(No legal impediment)** the execution, delivery and performance of this deed does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which he is bound and which would prevent him from entering into and performing its obligations under this deed.
- (c) **(Solvency):**
 - (i) it has not gone, or proposed to go, into liquidation;
 - (ii) it has not passed a winding-up resolution or commenced steps for winding-up or dissolution;
 - (iii) it has not received a deregistration notice under section 601AB of the Corporations Act or any communication from ASIC that might lead to such a notice or applied for deregistration under section 601AA of the Corporations Act;
 - (iv) it has not been presented or threatened with a petition or other process for winding-up or dissolution and, so far as it is aware, there are no circumstances justifying a petition or other process;
 - (v) no receiver, receiver and manager, judicial manager, liquidator, administrator, official manager has been appointed, or is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of it, and, so far as it is aware, there are no circumstances justifying such an appointment; or
 - (vi) it has not entered into, or taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them.
- (d) **(Ownership):**
 - (i) it is the legal owner of the Option Shares and has the power to sell the legal and beneficial ownership of the Option Shares under this deed; and
 - (ii) IOOF will acquire at Completion the full legal and beneficial ownership of the Option Shares free and clear of all Encumbrances, subject to registration of IOOF in the register of shareholders.
- (e) **(No Encumbrances or other arrangements):** the Option Shares:
 - (i) are free and clear of all Encumbrances;
 - (ii) can be sold and transferred free of any competing rights, including pre-emptive rights or rights of first refusal; and
 - (iii) are fully paid and no money is owing in respect of them.

- (f) **(Legal advice)** the Grantor has received legal advice about the effect of this deed or has had an adequate and reasonable opportunity to seek and receive legal advice about the effect of this deed.

8.2 IOOF warranties

IOOF warrants that:

- (a) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this deed.
- (b) **(Corporate Authorisations)** all necessary authorisations for the execution, delivery and performance by it of this deed in accordance with its terms have been obtained or will be obtained prior to Completion.
- (c) **(No legal impediment)** the execution, delivery and performance of this deed:
- (i) complies with its constitution or other constituent documents (as applicable); and
 - (ii) does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which it is bound and which would prevent it from entering into and performing its obligations under this deed.
- (d) **(Solvency):**
- (i) it has not gone, or proposed to go, into liquidation;
 - (ii) it has not passed a winding-up resolution or commenced steps for winding-up or dissolution;
 - (iii) it has not received a deregistration notice under section 601AB of the Corporations Act or any communication from ASIC that might lead to such a notice or applied for deregistration under section 601AA of the Corporations Act;
 - (iv) it has not been presented or threatened with a petition or other process for winding-up or dissolution and, so far as it is aware, there are no circumstances justifying a petition or other process;
 - (v) no receiver, receiver and manager, judicial manager, liquidator, administrator, official manager has been appointed, or is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of it, and, so far as it is aware, there are no circumstances justifying such an appointment; or
 - (vi) it has not entered into, or taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them.
- (e) **(IOOF Shares):** the Grantor will acquire at Completion the full legal and beneficial ownership of the Grantor IOOF Shares free and clear of all Encumbrances, subject to registration of the Grantor in the register of shareholders and the relevant IOOF Shares when issued will be:
- (i) free and clear of all Encumbrances;

- (ii) able to be sold and transferred free of any competing rights, including pre-emptive rights or rights of first refusal;
 - (iii) duly and validly issued in accordance with all applicable laws and IOOF's constitution;
 - (iv) issued on terms such that each such relevant IOOF Share will rank equally in all respects with each existing fully paid ordinary share in IOOF; and
 - (v) fully paid and no money will be owing in respect of them, and IOOF will use all reasonable endeavours to ensure that such IOOF Shares are, from the date of issue, quoted for trading on the ASX.
- (f) **(Cleansing notice requirements):** as at the Completion Date, both:
- (i) the requirements of each of sections 708A(5)(a), (b), (c), (d) and (e) of the Corporations Act are met in relation to IOOF and the IOOF Shares (if any) issued to the Grantor pursuant to the exercise of the Call Option under clause 3.1 (as applicable); and
 - (ii) no determination of ASIC under section 708A(2) of the Corporations Act is in force in relation to IOOF.

8.3 Survival of warranties

The warranties given in this clause 8:

- (a) survive the execution of this deed; and
- (b) are regarded as repeated at Completion with regard to the facts and circumstances then subsisting.

8.4 Reliance

Each party acknowledges that the other parties have entered into this deed and agreed to take part in the transactions that it contemplates in reliance on the warranties made or repeated in this clause.

8.5 Indemnity

Each party indemnifies the other parties against any loss, liability, damage, cost, charge and expense suffered or incurred as a result of its breach of this deed, other than clause 7.

9 Termination

9.1 Termination

This deed:

- (a) automatically terminates if the Call Option:
 - (i) has not been validly exercised by the end of the Call Option Period; or
 - (ii) lapses pursuant to clause 3.1(c); and

- (b) may be terminated by IOOF at any time prior to Completion by written notice to the Grantor, including in circumstances where IOOF has delivered a Call Option Notice. For the avoidance of doubt, if IOOF has terminated this deed, then the parties will not be obliged to comply with their obligations pursuant to clause 4 of this deed.

9.2 Effect of termination

On termination, this deed:

- (a) is of no further effect and (without prejudice to any accrued rights or obligations of the parties, which if the Call Option has been exercised, will include, all rights and obligations in connection with Completion) there are no continuing rights or obligations of the parties; and
- (b) the Grantor is absolutely entitled to retain the Option Fee.

10 Duties, costs and expenses

10.1 Stamp duty

- (a) IOOF must pay the stamp duty in respect of the execution, delivery and performance of:
 - (i) this deed; and
 - (ii) any agreement or document entered into or signed under this deed.
- (b) IOOF must pay any fine, penalty or other cost in respect of a failure to pay any stamp duty except to the extent that the fine, penalty or other cost is caused by an act or default on the part of the Grantor.
- (c) IOOF indemnifies the Grantor against any amount payable under clause 10.1(a) or clause 10.1(b) or both.

10.2 Costs and expenses

Each party must pay its own costs and expenses in relation to the negotiation, preparation, execution and delivery of this deed.

11 General

11.1 Notices and communications

- (a) Unless expressly stated otherwise, any communication under or in connection with this deed must be:
 - (i) in legible writing;
 - (ii) in English or accompanied by a certified translation into English; and
 - (iii) signed by the sender (if an individual) or an authorised officer of the sender; and

- (iv) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.
- (b) Communications must be:
 - (i) left at the address set out or referred to in the Details;
 - (ii) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details; or
 - (iii) given in any other way permitted by law.

However, if the intended recipient has notified a changed address or fax number, then communications must be to that address or fax number.
- (c) Communications take effect from the time they are received or taken to be received under clause 11.1(d) (whichever happens first) unless a later time is specified.
- (d) Communications are taken to be received, if sent by post, three days after posting (or seven days after posting if sent from one country to another).
- (e) Despite clauses 11.1(c) and 11.1(d), if communications are received or taken to be received under clause 11.1(d) after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

11.2 Governing law and jurisdiction

- (a) This deed is governed by the laws of New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and courts competent to hear appeals from those courts.

11.3 Consents

Any consent referred to in, or required under, this deed from any party may not be unreasonably withheld, unless this deed expressly provides for that consent to be given in that party's absolute discretion.

11.4 Waivers

- (a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed by any party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed.
- (b) Any waiver or consent given by any party under this deed is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this deed operates as a waiver of another breach of that term or of a breach of any other term of this deed.

11.5 Variation

This deed may only be varied by a document signed by or on behalf of each of the parties.

11.6 Assignment

A party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this deed without the prior written consent of the other parties (which may be given or withheld in each of those party's absolute discretion), provided that IOOF may assign the benefit of this deed to a related body corporate.

11.7 Acknowledgement

The Grantor acknowledges that the remedy of damages alone may be inadequate to protect the interests of IOOF for breach by the Grantor of clause 4 and that IOOF is entitled to seek and obtain, without limitation, injunctive relief or specific performance if:

- (a) the Grantor fails to comply or threatens to fail to comply with clause 4; or
- (b) IOOF has reason to believe the Grantor will not comply with clause 4.

11.8 No third party beneficiary

This deed shall be binding on and enure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this deed is intended to or shall confer on any other persons any third party beneficiary rights.

11.9 Further action

Each party will do all things and execute all further documents necessary to give full effect to this deed.

11.10 Entire Agreement

This deed supersedes all previous agreements, understandings, negotiations or deeds in respect of its subject matter and embodies the entire deed between the parties.

11.11 Counterparts

- (a) This deed may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this deed by signing any counterpart.

11.12 Remedies cumulative

The rights, powers and remedies provided in this deed are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this deed.

11.13 Time of the essence

Time is of the essence of this deed in respect of any date or period determined under this deed.

11.14 Relationship of the parties

- (a) Nothing in this deed gives a party authority to bind any other party in any way.
- (b) Nothing in this deed imposes any fiduciary duties on a party in relation to any other party

11.15 No merger

The rights and obligations of the parties do not merge on Completion. They survive the execution and delivery of any transfer or other document entered into for the purpose of Completion.

EXECUTED as a deed.

Call Option Deed

Schedule 1 – Option Notice

[insert date]

To: [insert name of Grantor]

Call Option Deed dated [insert] between [insert name of Grantor] and IOOF

In accordance with clause 3.1 of the Call Option Deed, IOOF exercises the Call Option in respect of the Option Shares.

Capitalised terms used in this notice have the same meaning as is given to those terms in the Call Option Deed

The Completion Date is [insert] and Completion is to take place at [insert] on the Completion Date at the address set out below:

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Signed by [insert] for and on behalf of IOOF

Schedule 2 – Grantor Option Notice

[insert date]

To: The Directors of IOOF Holdings Limited

Call Option Deed dated **[insert]** between **[insert name of Grantor]** and IOOF

In accordance with clause 6.1 of the Call Option Deed, the Grantor exercises the Grantor Call Option in respect of the Option Shares.

Capitalised terms used in this notice have the same meaning as is given to those terms in the Call Option Deed

The Grantor Completion Date is **[insert]** and completion is to take place at **[insert]** at the address set out below:

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Signed by **[insert Grantor]**

Schedule 3 – Grantor Acceptance Deed

[insert date]

To: The Directors of IOOF Holdings Limited

Call Option Deed dated **[insert]** between **[insert name of Grantor]** and IOOF

General

Any term used in this Grantor Acceptance Deed which is defined in the Call Option Deed dated **[insert]** (the **Deed**) between IOOF and the Grantor has the meaning given in that Deed.

Undertaking by the Grantor

The Grantor undertakes to IOOF to accept the IOOF Takeover Bid immediately following the completion of the sale and purchase of the Option Shares pursuant to the Grantor's exercise of the Grantor Call Option under clause 6.1 of the Deed.

Power of Attorney

The Grantor irrevocably authorises IOOF and appoints IOOF as its attorney to sign all documents, give all instructions and perform all actions as IOOF thinks necessary or desirable to give effect to the acceptance by the Grantor of the IOOF Takeover Bid and to enable the registration of the transfer of the Option Shares to IOOF pursuant to the terms of the IOOF Takeover Bid. The Grantor agrees to deliver to IOOF upon demand such powers of attorney, instruments of transfer and other instruments as IOOF may require for the purposes of this Acceptance Deed.

Signed by **[insert Grantor]**

DATED: 16 MAY 2014

EXECUTED by IOOF HOLDINGS
LIMITED in accordance with section
127(1) of the Corporations Act 2001
(Cwlth) by authority of its directors:


.....
Signature of director

.....
Name of director (block letters)


.....
Signature of director/company
secretary*
*delete whichever is not applicable

.....
Name of director/company secretary*
(block letters)
*delete whichever is not applicable

EXECUTED by SAM GANNON PTY
LTD as trustee for THE J B GANNON
FAMILY TRUST in accordance with
section 127(1) of the Corporations Act
2001 (Cwlth) by authority of its
directors:

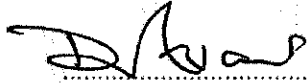

.....
Signature of director

JOHN BRYANT GANNON
.....
Name of director (block letters)


.....
Signature of director/company
secretary*
*delete whichever is not applicable

CHRISTINE ANNIS GANNON
.....
Name of director/company secretary*
(block letters)
*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by JOHN BRYANT GANNON in the
presence of:



Signature of witness

DALE V. EVANS

Name of witness (block letters)



Signature of JOHN BRYANT GANNON

DATED: 16 MAY 2014

EXECUTED by IOOF HOLDINGS
LIMITED in accordance with section
127(1) of the Corporations Act 2001
(Cw)th) by authority of its directors:

Signature of director

Name of director (block letters)

Signature of director/company
secretary*

*delete whichever is not applicable

Name of director/company secretary*
(block letters)

*delete whichever is not applicable

EXECUTED by SAM GANNON PTY
LTD as trustee for THE J B GANNON
FAMILY TRUST in accordance with
section 127(1) of the Corporations Act
2001 (Cw)th) by authority of its
directors:

Signature of director

JOHN BRYANT GANNON

Name of director (block letters)

Signature of director/company
secretary*

*delete whichever is not applicable

CHRISTINE ANNE GANNON

Name of director/company secretary*
(block letters)

*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by JOHN BRYANT GANNON in the
presence of:



Signature of witness

DALE J. EVANS

Name of witness (block letters)




Signature of JOHN BRYANT GANNON

Signing page

DATED: _____

EXECUTED by IOOF HOLDINGS
LIMITED in accordance with section
127(1) of the Corporations Act 2001
(Cw)th by authority of its directors:



Signature of director

CHRIS KZLAHE

Name of director (block letters)

EXECUTED by SAM GANNON PTY
LTD as trustee for THE J B GANNON
FAMILY TRUST in accordance with
section 127(1) of the Corporations Act
2001 (Cw)th by authority of its
directors:

Signature of director

Name of director (block letters)



Signature of director/company
secretary*

*delete whichever is not applicable

Danielle S. Corcoran

Name of director/company secretary*
(block letters)

*delete whichever is not applicable

Signature of director/company
secretary*

*delete whichever is not applicable

Name of director/company secretary*
(block letters)

*delete whichever is not applicable

Call Option Deed

Dated 16 MAY 2014

IOOF Holdings Limited (ACN 100 1303 722) ("IOOF")

James Patrick Kilkenney

James Patrick Kilkenney and Alison Margaret Kilkenney as trustees for The Kilkenney Family Trust

James Patrick Kilkenney and Alison Margaret Kilkenney as trustees for the Kilkenney Rose Superfund

(each, a "Grantor")

King & Wood Mallesons
Level 50
Bourke Place
600 Bourke Street
Melbourne VIC 3000
Australia
T +61 3 9643 4000
F +61 3 9643 5999
DX 101 Melbourne
www.kwm.com

Call Option Deed

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Call Option Deed

Details

Parties		IOOF and each of the Grantors
IOOF	Name	IOOF Holdings Limited
	ACN	100 1303 722
	Address	Level 6 161 Collins Street Melbourne 300 0
	Telephone	(03) 8614 4746
	Attention	Gary Riordan
Grantors	Name	James Patrick Kilkenny
	Address	52 Callabonna Street Westlake Queensland 4074
	Name	James Patrick Kilkenny and Alison Margaret Kilkenny as trustees for The Kilkenny Family Trust
	Address	52 Callabonna Street Westlake Queensland 4074
	Name	James Patrick Kilkenny and Alison Margaret Kilkenny as trustees for the Kilkenny Rose Superfund
	Address	52 Callabonna Street Westlake Queensland 4074
Recitals	A	The Company intends to propose the Scheme pursuant to which IOOF will acquire all the ordinary shares of the Company.
	B	Each Grantor has agreed to grant a Call Option to IOOF on the terms and conditions set out in this deed.
	C	IOOF has agreed to grant a Grantor Call Option to each Grantor on the terms and conditions set out in this deed.
Governing law		New South Wales

**Date of
agreement**

See Signing page

Call Option Deed

General terms

1 Definitions and interpretation

1.1 Deed components

This deed includes any schedule.

1.2 Definitions

The meanings of the terms used in this deed are set out below.

Associate has the meaning given in section 12 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates.

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).

Board means the board of directors of the Company.

Business Day means a day in Sydney that is not a Saturday, Sunday or public holiday and on which banks and ASX are open for trading.

Call Option means, in respect of a Grantor, the call option granted by that Grantor to IOOF under clause 2.1.

Call Option Notice means a notice in the form set out in Schedule 1 to this deed.

Call Option Period means the period commencing on the date of this deed and ending on the End Date.

Cash Consideration Component means the amount of cash per Share (if any) that IOOF proposes to pay under the Superior Proposal or, if there are alternative forms of consideration under the Superior Proposal, the amount of cash per Share (if any) under the alternative elected or deemed to have been elected by the relevant Grantor under clause 3.7.

CHES means the Clearing House Electronic Subregistry System operated by ASX Settlement Pty Ltd (ACN 008 504 532) and ASX Clear Pty Ltd (ACN 001 314 503).

Company means SFG Australia Limited (ACN 006 490 259).

Company Group means the Company and its Subsidiaries as at the date of this deed.

Competing Proposal means any proposal, agreement, arrangement or transaction, which, if entered into or completed, would mean a Third Party (either alone or together with any Associate) would:

- (a) directly or indirectly acquire a Relevant Interest in, or have the right to acquire, a legal, beneficial or economic interest in, or control of, more than 20% of the Shares of the Company;
- (b) acquire Control of the Company;
- (c) otherwise acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an exclusive economic interest in all or a material part of the Company's business or assets or the business or assets of the Company's Group;
- (d) otherwise acquire (whether directly or indirectly) or merge with the Company; or
- (e) enter into any agreement, arrangement or understanding requiring the Company to abandon, or otherwise fail to proceed with, the Transaction,

whether by way of takeover bid, scheme of arrangement, security holder approved acquisition, capital reduction or buy back, sale or purchase of shares, securities or assets, global assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), or other transaction or arrangement.

Completion means the settlement of the sale of Option Shares in accordance with clause 4.

Completion Date means the date which is 5 Business Days after the later of the date on which a Call Option is exercised in accordance with clause 3.1.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

Court means the Federal Court of Australia, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by IOOF and the Company.

Covenantor means James Patrick Kilkenny.

Deal means:

- (i) sell, assign, transfer, declare a trust over or otherwise dispose of;
- (ii) agree or offer to sell, assign, transfer or otherwise dispose of;
- (i) enter into any option which, if exercised, enables or requires the person to sell, assign, transfer, declare a trust over or otherwise dispose of;
- (ii) enter into any swap or any other form of synthetic instrument or arrangement which provides the relevant Grantor or the counterparty economic exposure to the Shares; or
- (iii) create or agree or offer to create or permit to be created any interest or Encumbrance.

Effective means when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Encumbrance means a mortgage, charge, pledge, lien, hypothecation or third party interest of any kind whatsoever, or an agreement to create any of them or to allow any of them to exist.

End Date means the earliest to occur of:

- (a) 31 December 2014;
- (b) the date the Implementation Agreement is terminated in accordance with its terms; and
- (c) the implementation date of the Scheme,

or such other date as agreed in writing by the parties.

Exercise Price means, in respect of each Option Share, the consideration per Share that IOOF proposes to pay under the Superior Proposal.

Exercise Adjustment means the payments referred to in clause 5.2.

Grantor Acceptance Deed means a notice in the form set out in Schedule 3 to this deed.

Grantor Completion Date means the date which is 5 Business Days after the date on which a Grantor Call Option is exercised in accordance with clause 6.1.

Grantor Call Option means, in respect of a Grantor, the option to purchase the Option Shares granted by IOOF in favour of that Grantor under clause 6.1.

Grantor Exercise Period means the period:

- (a) commencing on the date on which an IOOF Takeover Bid becomes unconditional provided that, on that date, the Value per Share offered under that IOOF Takeover Bid is greater than the Exercise Price; and
- (b) ending 3 Business Days after the date specified in paragraph (a) above.

Grantor IOOF Shares means, in respect of a Grantor, the IOOF Shares issued to that Grantor pursuant to the exercise of a Call Option under clause 3.1.

Grantor Option Notice means a notice in the form set out in Schedule 2 to this deed.

Grantor Purchase Price means:

- (a) the amount equal to:
 - (i) the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) of any Sold IOOF Shares;
 - (ii) *plus* the Value of the Scrip Consideration Component of the Exercise Price as at the relevant Grantor Completion Date in respect of any Grantor IOOF Shares still held by the relevant Grantor as at the relevant Grantor Completion Date *multiplied by* the number of Grantor IOOF Shares still held by the relevant Grantor as at the relevant Grantor Completion Date;
- (b) *plus* the Cash Consideration Component of the Exercise Price multiplied by the number of relevant Option Shares;

- (c) *plus* the amount of all adjustment payments which have previously been paid by IOOF to the relevant Grantor under clause 5.2 other than to the extent already taken into account in paragraph (a)(i); and
- (d) *minus* the cash value of any Rights received by IOOF after the Completion Date in respect of the relevant Option Shares.

Group means the Company and each of its Subsidiaries.

Implementation Deed means the scheme implementation deed dated on or around the date of this deed between the Company and IOOF relating to the implementation of the Scheme.

IOOF Shares means fully paid ordinary shares in the capital of IOOF.

IOOF Takeover Bid means a Takeover Bid made by IOOF, or any Associate of IOOF that is not a Third Party.

New IOOF Shares means a fully paid ordinary share in IOOF to be issued to Scheme Shareholders under the Scheme.

Non-Retained IOOF Shares means, in respect of an Exercise Adjustment, the number of Grantor IOOF Shares equal to:

- (a) the number of Grantor IOOF Shares held by the relevant Grantor as at the date of the relevant Exercise Adjustment;
- (b) *minus* the number of Retained IOOF Shares (if any).

Option Fee means A\$10.00.

Option Shares means, in respect of a Grantor, that number of Shares set out opposite that Grantor's name in Schedule 4.

Overall Value per Share means, in respect of an Exercise Adjustment:

- (a) the proceeds of all sales by or on behalf of the relevant Grantor of its Grantor IOOF Shares (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) whether in respect of Exercise Adjustments performed under clauses 5.1(b), 5.1(c) or 5.1(d) or otherwise and including its Sold IOOF Shares;
- (b) *plus* the volume weighted average price (excluding all off-market transactions) of IOOF Shares on ASX over the 15 trading days ending on the day prior to the relevant date multiplied by the number of relevant Retained IOOF Shares (if any);
- (c) *plus* the Cash Consideration Component of the Exercise Price multiplied by the number of relevant Option Shares,

divided by the number of relevant Option Shares.

Purchase Consideration means the aggregate of the Cash Consideration Component and the Scrip Consideration Component.

Restraint Area has the meaning given in clause 7(k)

Restraint Period has the meaning given in clause 7(j).

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Retained IOOF Shares means, in respect of an Exercise Adjustment, that number of Grantor IOOF Shares notified by the relevant Grantor to IOOF under clause 5.2(a).

Rights means all accretions and rights attaching to or arising from the Option Shares (including without limitation, all rights to receive dividends, returns of capital and other distributions declared or paid and to receive or subscribe for shares, notes, options or other securities or entitlements) declared, paid or issued by the Company after the Completion Date.

Sale Value per Share means the proceeds of all sales (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) in respect of an Exercise Adjustment performed under clauses 5.1(b), 5.1(c) or 5.1(d) divided by the number of relevant Option Shares.

Scheme means a transaction proposed by the Company to its shareholders pursuant to Part 5.1 of the *Corporations Act 2001* pursuant to which IOOF or any of its related bodies corporate proposes to acquire all of the shares in the Company.

Scheme Meeting means the meeting of the Company's shareholders ordered by the Court to be convened under section 411(1) of the *Corporations Act* to implement the Scheme.

Scrip Consideration Component means such number of New IOOF Shares (if any) for each Share that IOOF proposes to issue under the Superior Proposal or, if there are alternative forms of consideration under the Superior Proposal, such number of New IOOF Shares (if any) under the alternative elected or deemed to have been elected by the relevant Grantor under clause 3.7.

Share means an ordinary share in the capital of the Company.

Sold IOOF Shares means any Grantor IOOF Shares sold by the relevant Grantor on the financial market conducted by ASX before the time any Exercise Adjustment is due to be made under clause 5.2(b), 5.2(c) or 5.2(d).

Subsidiary has the meaning given in the *Corporations Act*.

Superior Proposal means a proposal that is provided by IOOF to the Board, in response to a Competing Proposal and which the Board determines in good faith is more favourable to the Company's shareholders than the Competing Proposal.

Takeover Bid means a takeover bid under Chapter 6 of the *Corporations Act* to acquire at least 50% of the issued Shares.

Third Party means a person other than IOOF and any Associate of IOOF (except any person who is an Associate of IOOF merely because IOOF or any of its related bodies corporate has agreed to dispose of Shares to that person or has agreed to vote in favour of or otherwise support any Competing Proposal by that person).

Transaction means the acquisition of the Company through implementation of the Scheme.

Value means in relation to any consideration (including the Exercise Price) at any time:

- (i) if all or any part of the consideration is a cash sum in A\$, that A\$ value;

- (ii) if the consideration is a cash sum denominated in a currency other than Australian dollars, the value of the consideration will be based on its Australian dollar equivalent applying the WM/Reuters Closing Spot Exchange Rate published at 4pm London time] on the relevant date;
- (iii) if all or any part of the consideration is in a form of securities in an entity listed on any securities exchange, the consideration will be valued based on the volume weighted average price (excluding all off-market transactions) of the relevant securities over the 5 trading days ending on the day prior to the relevant date on the primary exchange on which the relevant securities are quoted. [If that price is quoted in a currency other than Australian dollars that price must be converted into Australian dollars applying the [WM/Reuters Closing Spot Exchange Rate published at 4pm London time] on the relevant date;
- (iv) in any other case, the value in A\$:
 - (A) as agreed by the relevant Grantor and IOOF (acting reasonably); or
 - (B) in the absence of agreement, as determined by an independent expert (acting as expert and not arbitrator and on behalf of both the relevant Grantor and IOOF whose decision will be, in the absence of manifest error, final and binding on both the relevant Grantor and IOOF) the identity of which is agreed by the relevant Grantor and IOOF (or in the absence of agreement, such person as nominated by the National President of the Institute of Chartered Accountants).

1.3 Interpretation

In this deed, headings are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any government agency;
- (e) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to this deed, and a reference to this deed includes any attachment, exhibit and schedule;
- (f) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

- (g) a reference to any document (including this deed) is to that document as varied, novated, ratified or replaced from time to time;
- (h) the word 'includes' in any form is not a word of limitation;
- (i) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (j) a reference to any time is to the time in Sydney, Australia;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this deed; and
- (l) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Contra proferentem excluded

No term or condition of this deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this deed or a provision of it.

2 Call Option

2.1 Call Option

- (a) In consideration of the payment of the Option Fee, each Grantor irrevocably grants a Call Option to IOOF.
- (b) Each Grantor acknowledges receipt of an Option Fee.
- (c) Each Grantor irrevocably grants to IOOF the right to require the Grantor to sell the relevant Option Shares to IOOF for the Exercise Price and on and subject to the terms and conditions of this deed.

2.2 No dealing in Option Shares

From the date of this deed until:

- (a) if a Call Option Notice has not been served, the end of the Call Option Period;
- (b) if a Call Option Notice has been served and this deed has not been terminated in accordance with clause 9.1(b), the relevant Completion Date; or
- (c) if a Call Option Notice has been served and this deed has been terminated in accordance with clause 9.1(b), the date of termination of this deed,

each Grantor may not Deal in the relevant Option Shares except as contemplated under this deed.

2.3 Right to dispose of Shares not affected

Nothing in this deed restricts or will be taken to restrict a Grantor's right to Deal in Shares, other than the relevant Option Shares, with another party.

2.4 Right to vote Shares not affected

Nothing in this deed will be taken to restrict:

- (b) the ability of a Grantor to exercise the votes attaching to any Share (including any Option Share) in a Grantor's absolute discretion before a Call Option is exercised in respect of the relevant Option Shares; and
- (c) a Grantor's right to vote for or against any resolution proposed in relation to the Company (including any resolution in relation to a Scheme).

3 Exercise

3.1 Call Option Exercise

- (a) IOOF may only exercise a Call Option if:
 - (i) there is a Competing Proposal; and
 - (ii) a Superior Proposal has been publicly announced by the Board (**Superior Proposal Announcement**).
- (b) If the pre-conditions to exercise in clause 3.1(a) have been fulfilled, IOOF may exercise a Call Option by signing and delivering to the relevant Grantor a Call Option Notice at any time prior to the end of the 20th Business Day after the date on which the Superior Proposal Announcement was made.
- (c) If a Call Option is not exercised during the period referred to in clause 3.1(b) the Call Option will lapse.

3.2 Call Option Notice

A Call Option may be exercised, and a Call Option Notice may be given, once in respect of all of the relevant Option Shares.

3.3 Time of exercise

A Call Option is taken to have been exercised at the time when a signed Call Option Notice is delivered in accordance with clause 3.1.

3.4 Sale and purchase

Subject to clause 9.1(b), upon exercise of a Call Option, the Grantor agrees to sell and transfer to IOOF, and IOOF agrees to purchase from the Grantor, all of the relevant Option Shares for the Exercise Price on the terms and conditions of this deed.

3.5 Transfer of Option Shares

The relevant Option Shares must be transferred:

- (a) free from any Encumbrances; and

- (b) must include only such dividend rights or other entitlements, attached or accruing to them on and from the date of exercise of the relevant Call Option, to which IOOF would have been entitled if the relevant Option Shares were acquired under any Superior Proposal and not under this deed.

3.6 Compensation for dividends and other entitlements after Completion

To the extent that IOOF becomes entitled to dividend rights or other entitlements in respect of Option Shares after Completion to which a Grantor would have been entitled if the relevant Option Shares were acquired under any Superior Proposal and not under this deed, IOOF must pay the relevant Grantor a cash amount equal to the Value of the dividend or other entitlement plus, in the case of any dividend, a cash amount equal to the imputation credit that would have been attributable to the dividend based on the franking percentage that would have been applicable under the Superior Proposal, promptly after receipt by IOOF.

3.7 Election Notice

If any Superior Proposal provides for alternative forms of consideration, at least 2 Business Days before the Completion Date, each Grantor may provide to IOOF a written election in relation to the alternative form of consideration it wishes to receive under clause 4.4. If a Grantor does not make an election in accordance with this clause 3.7, then the relevant Grantor will be deemed to have elected the alternative which contains the highest amount of cash per Share.

4 Completion

4.1 Time and place of Completion

If a Call Option is exercised, completion of the sale and purchase of the relevant Option Shares will take place at 10.00am on the Completion Date at the offices of King & Wood Mallesons in Sydney or such other time and place as the Grantor and IOOF may agree.

4.2 Steps to occur at Completion

On the relevant Completion Date:

- (a) the Grantor must transfer or procure the transfer of the relevant Option Shares to IOOF (or to any related body corporate nominated by IOOF); and
- (b) IOOF and the relevant Grantor must execute and deliver all necessary documents and give all necessary instruments to ensure that all right, title and interest in the Option Shares passes from the relevant Grantor to IOOF free from all Encumbrances.

4.3 Transfers

Without limitation, the relevant Option Shares are deemed to have been transferred pursuant to clause 4.2(b):

- (a) on the transfer of title in accordance with the ASX Settlement Operating Rules and procedures of CHESS (or such other computer based system which provides for the recording and transfer of title by way of electronic entries, delivery and transfer of title, used by the Company from time to time); or

- (b) by such other manner as agreed between the relevant Grantor and IOOF.

4.4 Payment of Purchase Consideration

If the relevant Grantor complies with its obligations under clause 4.2 then IOOF must:

- (a) pay the Cash Consideration Component to the relevant Grantor in immediately available funds on the relevant Completion Date; and
- (b) issue or procure the issue of the Scrip Consideration Component to the Grantor on the Completion Date.

4.5 Obligations

- (a) Each of the obligations in this clause 4 is interdependent.
- (b) Subject to IOOF complying with clause 4.4, the relevant Grantor grants to IOOF a power of attorney to complete and execute all documents (under hand or under seal) and take any actions on the Grantor's behalf (including giving any necessary directions to the Company) which are necessary or convenient to give effect to the transfer of the relevant Option Shares.
- (c) IOOF will issue a notice under section 708A(5)(e)(i) of the Corporations Act, which complies with the requirements of section 708A(b) of the Corporations Act, as soon as practicable after the relevant Completion Date.

5 Post-Completion adjustment

5.1 Adjustment of Exercise Price

Subject to Completion occurring in respect of the relevant Option Shares, if before the date that is 6 months after the End Date:

- (a) the Scheme becomes Effective and as at that date, the Value per Share offered under the Scheme is greater than the Exercise Price;
- (b) a scheme of arrangement under Part 5.1 of the Corporations Act made by a Third Party becomes Effective and as at that date, the Value per Share offered under that scheme of arrangement is greater than the Exercise Price;
- (c) a Takeover Bid made by a Third Party becomes unconditional and the Value per Share offered under that Takeover Bid as at the date the Takeover Bid becomes unconditional is greater than the Exercise Price; or
- (d) the Scheme does not become Effective and none of the circumstances in paragraphs (a), (b) or (c) above have occurred before 6 months after the End Date,

then:

- (e) IOOF must notify the relevant Grantor of the relevant occurrence; and

- (f) the parties must perform the relevant Exercise Adjustment in respect of the relevant Option Shares.

5.2 Exercise Adjustment

If the parties are required to perform an Exercise Adjustment under clause 5.1(f) in respect of an occurrence of the nature described in clauses 5.1(b), 5.1(c) or 5.1(d), the parties agree that, within 2 Business Days of such occurrence, the relevant Grantor may provide written notice to IOOF of that number of Grantor IOOF Shares it holds that it does not wish to be sold under the relevant Exercise Adjustment (**Retained IOOF Shares**) and must provide written notice to IOOF of the number of its Sold IOOF Shares.

If the parties are required to perform an Exercise Adjustment under clause 5.1(f), the parties agree that, in respect of an occurrence of the nature described in:

- (a) clause 5.1(a), within 5 Business Days of the occurrence, IOOF must pay to the relevant Grantor a cash sum in A\$ equal to the difference in Value between the Exercise Price and the Value per Share offered under the Scheme (as at the date the Scheme becomes Effective) multiplied by the number of relevant Option Shares, less the amount of all adjustment payments which have previously been paid to the relevant Grantor under this clause 5.2;
- (b) clause 5.1(b):
 - (i) the relevant Grantor must appoint IOOF as its nominee to, within 15 Business Days of the occurrence, sell on the financial market conducted by ASX all of the Non-Retained IOOF Shares, in such manner, at such price and on such other terms as IOOF determines in good faith; and
 - (ii) IOOF must, within 5 Business Days of such sale:
 - (A) remit to the relevant Grantor the proceeds of the sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges); and
 - (B) to the extent the relevant Overall Value per Share is less than the Value per Share offered under the relevant scheme of arrangement (as at the date the relevant scheme of arrangement becomes Effective), pay to the relevant Grantor a cash sum in A\$ equal to the amount of this difference multiplied by the number of relevant Option Shares, less the amount of all adjustment payments which have previously been paid to the relevant Grantor under this clause 5.2 excluding any adjustment payments to the extent they related to proceeds of sale taken into account when calculating paragraph (a) of the definition of the relevant Overall Value per Share;
- (c) clause 5.1(c):
 - (i) the relevant Grantor must appoint IOOF as its nominee to, within 15 Business Days of the occurrence, sell on the financial market conducted by ASX all of the relevant Non-Retained IOOF Shares, in such manner, at such price and on such other terms as the IOOF determines in good faith; and
 - (ii) IOOF must, within 5 Business Days of such sale:

- (A) remit to the relevant Grantor the proceeds of the sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges); and
 - (B) to the extent the relevant Overall Value per Share is less than the Value per Share offered under the relevant Takeover Bid (as at the date the relevant Takeover Bid becomes unconditional), pay to the relevant Grantor a cash sum in A\$ equal to the amount of this difference multiplied by the number of relevant Option Shares, less the amount of all adjustment payments which have previously been paid to the relevant Grantor under this clause 5.2 excluding any adjustment payments to the extent they related to proceeds of sale taken into account when calculating paragraph (a) of the definition of the relevant Overall Value per Share; and
- (d) clause 5.1(d):
- (i) the relevant Grantor must appoint IOOF as its nominee to, within 15 Business Days of the occurrence, sell on the financial market conducted by ASX all of the relevant Non-Retained IOOF Shares, in such manner, at such price and on such other terms as the IOOF determines in good faith; and
 - (ii) IOOF must, within 5 Business Days of such sale:
 - (A) remit to the relevant Grantor the proceeds of the sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges); and
 - (B) to the extent the Overall Value per Share as at the date on which the event in 5.1(d) occurs is less than the Exercise Price as at the Completion Date, pay to the relevant Grantor a cash sum in A\$ equal to the amount of this difference multiplied by the number of relevant Option Shares.

5.3 Adjustment in respect of all Options

- (a) An adjustment of the Exercise Price under clause 5.1(a), 5.1(b) and 5.1(d) may only occur once and may still occur in relation to clause 5.1(a) or 5.1(b) even if any adjustment to the Exercise Price has already occurred under clause 5.1(c).
- (b) An adjustment of the Exercise Price under clause 5.1(c) may occur more than once and may occur even if an adjustment to the Exercise Price has already occurred under any paragraph in clause 5.1.

6 Grantor Call Option

6.1 Grant and exercise of Grantor Call Option

- (a) Subject to Completion occurring, IOOF grants each Grantor a Grantor Call Option.
- (b) Subject to clause 6.2, following commencement of the Grantor Exercise Period, a Grantor may exercise its Grantor Call Option by delivering to IOOF during the Grantor Exercise Period:

- (i) a completed and executed Grantor Option Notice; and
 - (ii) a completed and executed Grantor Acceptance Deed.
- (c) A Grantor may only exercise its Grantor Call Option once and in respect of all of its relevant Option Shares.

6.2 Lapse of Grantor Call Option

Each Grantor Call Option automatically lapses 6 months after the End Date.

6.3 Parties bound

If a Grantor delivers a Grantor Option Notice and a Grantor Acceptance Deed under clause 6.1 then the relevant Grantor, as purchaser, and IOOF, as seller, are immediately bound under a contract for the sale and purchase of the relevant Option Shares.

6.4 Completion of Grantor Call Option purchase

If a Grantor exercises its Grantor Call Option under clause 6.1:

- (a) completion of the sale and purchase of the relevant Option Shares will take place at 10.00am on the relevant Grantor Completion Date at the offices of King & Wood Mallesons in Sydney or such other time and place as the relevant Grantor and IOOF may agree;
- (b) on completion of the sale and purchase of the relevant Option Shares pursuant to the exercise of the relevant Grantor Call Option:
 - (i) IOOF must transfer or procure the transfer of the relevant Option Shares to the relevant Grantor or to its order in accordance with the terms of the relevant Grantor Acceptance Deed;
 - (ii) IOOF and the relevant Grantor must execute and deliver all necessary documents and give all necessary instruments to ensure that all right, title and interest in the relevant Option Shares passes from the IOOF to the relevant Grantor (or to its order) free from all Encumbrances;
 - (iii) the relevant Grantor must pay the relevant Grantor Purchase Price in respect of the relevant Option Shares to IOOF in immediately available funds; and
 - (iv) IOOF must pay to the relevant Grantor within 5 Business Days of written notice from the relevant Grantor, the amount of any additional tax assessable on the relevant Grantor or its beneficiaries by reason of the exercise of the Call Option and the Grantor Call Option compared to the tax that would have been assessable on the relevant Grantor or its beneficiaries if the Call Option and the relevant Grantor Call Option had not been exercised and the Grantor had instead only disposed of the relevant Option Shares held by the Grantor at the date of this deed under the Takeover Bid.

7 Restraints

- (a) The obligations in this clause 7 operate separately in respect of:

- (i) the Company; and
 - (ii) the Company and each Company Group member who is not the Company, and whom the Covenantor represents, or for whose benefit the Covenantor provides any services in the course of the Covenantor's employment with the Company.
- (b) The Covenantor makes the covenants in this clause 7 in consideration of IOOF entering into this deed.
- (c) Subject to the Scheme becoming Effective, IOOF agrees to waive, and to procure that each member of the Company Group waive, any other restraints applicable to each Grantor in any capacity.
- (d) Subject to the Scheme becoming Effective, the Covenantor agrees the following:
 - (i) the Covenantor will not, directly or indirectly (whether as principal, agent, director, shareholder, partner, consultant, adviser or otherwise) for the Restraint Period and within the Restraint Area, solicit to provide, or personally provide, services in relation to accounting, taxation, audit, financial planning, retirement, investment advice or investment management, stockbroking, finance broking, financial lending, corporate superannuation, or general insurance broking to any person who, during the final 12 months of the Covenantor's employment with the Company:
 - (A) was a client of the Company and with whom the Covenantor had any dealings because of the Covenantor's employment with the Company; or
 - (B) was a client of the Company Group other than the Company, and with whom the Covenantor had any dealings on behalf of any member of the Company Group because of the Covenantor's employment with the Company;
 - (ii) the Covenantor will not during the Restraint Period and within the Restraint Area either solely or jointly with any other person (whether as principal, agent, employee, director, shareholder, partner, consultant, adviser or otherwise), on the Covenantor's own account, or for any other person directly or indirectly:
 - (A) solicit, endeavour to entice away, consult with or advise any person who was a client of the Company during the final 12 months of the Covenantor's employment with the Company;
 - (B) solicit, endeavour to entice away, consult with or advise any person who was a client of another member of the Company Group during the final 12 months of the Covenantor's employment with the Company; and
 - (C) solicit, interfere with or endeavour to entice away from a member of the Company Group, any person who was an employee of a member of the Company Group with whom the Covenantor worked or had contact during the final 12 months of the Covenantor's employment with the Company.

- (e) Each restriction in this clause 7 and the areas that comprise the Restraint Area and the periods that comprise the Restraint Period are intended to be separate and severable. If any of these are found to be invalid or ineffective, but would be valid or effective if some portion were deleted, then such portions will apply with such modifications as may be necessary to make them valid or effective.
- (f) The restraints in this clause 7 do not:
 - (i) prevent a Covenantor from being interested as the holder of not more than 5% of the issued capital of any corporation whose shares are listed on a recognised stock exchange;
 - (ii) restrict a Covenantor in taking any actions in respect of its own proprietary client accounts or those of its Associates, family members or the Grantors with the Company or the Company Group or with respect to its own investments or those of its Associates, family members or the Grantors; or
 - (iii) apply in respect of any conduct undertaken by a Covenantor by or on behalf of the Company, the Company Group or IOOF and its related bodies corporate.
- (g) Without limiting the range of (other) remedies available in respect of the breach, in the event that the Covenantor is in breach of any of the Covenantor's obligations under this clause 7, insofar as the breach relates to:
 - (i) clients, the Covenantor shall pay to IOOF by way of liquidated damages, an amount calculated by reference to 5% of the funds invested by the relevant clients which are attracted away from investments based on advice given by or through the Company or the Company Group; or
 - (ii) clients who are listed on the database of the Company or the Company Group as a client or similar designation (or who should have been in the ordinary course of business), the Covenantor shall pay to IOOF by way of liquidated damages, an amount calculated by reference to 5% of the funds invested by the relevant clients which are attracted away from investments based on advice given by, through or by reason of the Covenantor of any party or parties for whom the Covenantor is acting; or
 - (iii) clients who pay consulting fees and other fees to the Company or a Subsidiary, the Covenantor shall pay to IOOF an amount calculated by reference to one times the annual consulting fees and other fees.

For the avoidance of doubt, where the Covenantor has paid to IOOF an amount calculated under either subparagraph (g)(i), (g)(ii) or (g)(iii) above in respect of a breach, the Covenantor is released from any further obligation to pay liquidated damages under any other subparagraph in this paragraph (g) in respect of that breach.

- (h) The parties agree that the amount of damages calculated pursuant to this clause 7 represent an estimate of the damages that would be suffered by IOOF and are not payable by way of penalty.
- (i) For the avoidance of doubt, it is expressly provided that the payment of damages under the provisions of this clause 7 shall satisfy and

extinguish any separate claim by IOOF or a member of the Company Group (whether under an employment contract or otherwise) for damages arising from the same fact or event.

- (j) In this clause 7, "**Restraint Period**" means the duration of a Covenantor's employment with the Company and thereafter for, in the following order of priority:
 - (i) 2 years from the termination of the Covenantor's employment with the Company;
 - (ii) 1 year from the termination of the Covenantor's employment with the Company;
 - (iii) 9 months from the termination of the Covenantor's employment with the Company; and
 - (iv) 6 months from the termination of the Covenantor's employment with the Company.
- (k) In this clause 7, "**Restraint Area**" means in the following order of priority:
 - (i) Australia;
 - (ii) each State and Territory in which the Covenantor worked at an office of the Company or another Company Group during the final 12 months of the Covenantor's employment with the Company;
 - (iii) the State and Territory in which the office of the Company or another Company Group from which the Covenantor primarily worked during the final 12 months of the Covenantor's employment with the Company is located;
 - (iv) within 50 kilometres of each office of the Company and any other Company Group member from which the Covenantor worked during the final 12 months of the Covenantor's employment with the Company; and
 - (v) within 50 kilometres of the office of the Company and any other Company Group member from which the Covenantor primarily worked during the final 12 months of the Covenantor's employment with the Company.
- (l) If the Covenantor is also employed with, or engaged in or providing services to or on behalf of a business offering insurance products and debt products, references in this clause 7 to "5% of funds invest by" shall be read and the business of supplying products of that kind as referring to "100% of annual premiums paid by" (as well as to amounts calculated in accordance with the original wording in respect of other business).
- (m) If a Covenantor is also employed with, or engaged in or providing services to or on behalf of a business offering all other services (including but not limited to accounting, taxation and audit services) references in this clause 7 to "5% of funds invest by" shall be read (in relation to the Covenantor) and the business of supplying products of that kind as referring to "100% of annual fees paid by" (as well as to amounts calculated in accordance with the original wording in respect of other business).

8 Representations and warranties

8.1 Grantor warranties

Each Grantor warrants that:

- (a) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this deed.
- (b) **(No legal impediment)** the execution, delivery and performance of this deed does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which the Grantor is bound and which would prevent the Grantor from entering into and performing its obligations under this deed.
- (c) **(Solvency)** no application has been made, or has been threatened or is expected to be made, to a court for an order that the Grantor be declared bankrupt.
- (d) **(Ownership):**
 - (i) it is the legal and beneficial owner of its relevant Option Shares or if it is entering into this deed as a trustee, it is the legal owner of the relevant Option Shares and has the power to sell the legal and beneficial ownership of the relevant Option Shares under this deed; and
 - (ii) IOOF will acquire at Completion the full legal and beneficial ownership of its relevant Option Shares free and clear of all Encumbrances, subject to registration of IOOF in the register of shareholders.
- (e) **(No Encumbrances or other arrangements):** its relevant Option Shares:
 - (i) are free and clear of all Encumbrances;
 - (ii) can be sold and transferred free of any competing rights, including pre-emptive rights or rights of first refusal; and
 - (iii) are fully paid and no money is owing in respect of them.
- (f) **(Legal advice)** the Grantor has received legal advice about the effect of this deed or has had an adequate and reasonable opportunity to seek and receive legal advice about the effect of this deed.

8.2 IOOF warranties

IOOF warrants that:

- (a) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this deed.
- (b) **(Corporate Authorisations)** all necessary authorisations for the execution, delivery and performance by it of this deed in accordance with its terms have been obtained or will be obtained prior to Completion.
- (c) **(No legal impediment)** the execution, delivery and performance of this deed:

- (i) complies with its constitution or other constituent documents (as applicable); and
 - (ii) does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which it is bound and which would prevent it from entering into and performing its obligations under this deed.
- (d) **(Solvency):**
 - (i) it has not gone, or proposed to go, into liquidation;
 - (ii) it has not passed a winding-up resolution or commenced steps for winding-up or dissolution;
 - (iii) it has not received a deregistration notice under section 601AB of the Corporations Act or any communication from ASIC that might lead to such a notice or applied for deregistration under section 601AA of the Corporations Act;
 - (iv) it has not been presented or threatened with a petition or other process for winding-up or dissolution and, so far as it is aware, there are no circumstances justifying a petition or other process;
 - (v) no receiver, receiver and manager, judicial manager, liquidator, administrator, official manager has been appointed, or is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of it, and, so far as it is aware, there are no circumstances justifying such an appointment; or
 - (vi) it has not entered into, or taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them.
- (e) **(IOOF Shares):** the Grantor will acquire at Completion the full legal and beneficial ownership of the Grantor IOOF Shares free and clear of all Encumbrances, subject to registration of the Grantor in the register of shareholders and the relevant IOOF Shares when issued will be:
 - (i) free and clear of all Encumbrances;
 - (ii) able to be sold and transferred free of any competing rights, including pre-emptive rights or rights of first refusal;
 - (iii) duly and validly issued in accordance with all applicable laws and IOOF's constitution;
 - (iv) issued on terms such that each such relevant IOOF Share will rank equally in all respects with each existing fully paid ordinary share in IOOF; and
 - (v) fully paid and no money will be owing in respect of them, and IOOF will use all reasonable endeavours to ensure that such IOOF Shares are, from the date of issue, quoted for trading on the ASX.
- (f) **(Cleansing notice requirements):** as at each relevant Completion Date, both:

- (i) the requirements of each of sections 708A(5)(a), (b), (c), (d) and (e) of the Corporations Act are met in relation to IOOF and the IOOF Shares (if any) issued to a Grantor pursuant to the exercise of a Call Option under clause 3.1 (as applicable); and
- (ii) no determination of ASIC under section 708A(2) of the Corporations Act is in force in relation to IOOF.

8.3 Survival of warranties

The warranties given in this clause 8:

- (a) survive the execution of this deed; and
- (b) are regarded as repeated at Completion with regard to the facts and circumstances then subsisting.

8.4 Reliance

Each party acknowledges that the other parties have entered into this deed and agreed to take part in the transactions that it contemplates in reliance on the warranties made or repeated in this clause.

8.5 Indemnity

Each party indemnifies the other parties against any loss, liability, damage, cost, charge and expense suffered or incurred as a result of its breach of this deed, other than clause 7.

9 Termination

9.1 Termination

This deed:

- (a) automatically terminates if a Call Option:
 - (i) has not been validly exercised by the end of the Call Option Period; or
 - (ii) lapses pursuant to clause 3.1(c); and
- (b) may be terminated by IOOF at any time prior to Completion by written notice to the Grantor, including in circumstances where IOOF has delivered a Call Option Notice. For the avoidance of doubt, if IOOF has terminated this deed, then the parties will not be obliged to comply with their obligations pursuant to clause 4 of this deed.

9.2 Effect of termination

On termination, this deed:

- (a) is of no further effect and (without prejudice to any accrued rights or obligations of the parties, which if a Call Option has been exercised, will include, all rights and obligations in connection with Completion) there are no continuing rights or obligations of the parties; and
- (b) each Grantor is absolutely entitled to retain the Option Fee.

10 Duties, costs and expenses

10.1 Stamp duty

- (a) IOOF must pay the stamp duty in respect of the execution, delivery and performance of:
 - (i) this deed; and
 - (ii) any agreement or document entered into or signed under this deed.
- (b) IOOF must pay any fine, penalty or other cost in respect of a failure to pay any stamp duty except to the extent that the fine, penalty or other cost is caused by an act or default on the part of a Grantor.
- (c) IOOF indemnifies each Grantor against any amount payable under clause 10.1(a) or clause 10.1(b) or both.

10.2 Costs and expenses

Each party must pay its own costs and expenses in relation to the negotiation, preparation, execution and delivery of this deed.

11 General

11.1 Notices and communications

- (a) Unless expressly stated otherwise, any communication under or in connection with this deed must be:
 - (i) in legible writing;
 - (ii) in English or accompanied by a certified translation into English; and
 - (iii) signed by the sender (if an individual) or an authorised officer of the sender; and
 - (iv) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.
- (b) Communications must be:
 - (i) left at the address set out or referred to in the Details;
 - (ii) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details; or
 - (iii) given in any other way permitted by law.

However, if the intended recipient has notified a changed address, then communications must be to that address.

- (c) Communications take effect from the time they are received or taken to be received under clause 11.1(d) (whichever happens first) unless a later time is specified.

- (d) Communications are taken to be received, if sent by post, three days after posting (or seven days after posting if sent from one country to another).
- (e) Despite clauses 11.1(c) and 11.1(d), if communications are received or taken to be received under clause 11.1(d) after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

11.2 Governing law and jurisdiction

- (a) This deed is governed by the laws of New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and courts competent to hear appeals from those courts.

11.3 Consents

Any consent referred to in, or required under, this deed from any party may not be unreasonably withheld, unless this deed expressly provides for that consent to be given in that party's absolute discretion.

11.4 Waivers

- (a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed by any party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed.
- (b) Any waiver or consent given by any party under this deed is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this deed operates as a waiver of another breach of that term or of a breach of any other term of this deed.

11.5 Variation

This deed may only be varied by a document signed by or on behalf of each of the parties.

11.6 Assignment

A party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this deed without the prior written consent of the other parties (which may be given or withheld in each of those party's absolute discretion), provided that IOOF may assign the benefit of this deed to a related body corporate.

11.7 Acknowledgement

The Grantor acknowledges that the remedy of damages alone may be inadequate to protect the interests of IOOF for breach by the Grantor of clause 4 and that IOOF is entitled to seek and obtain, without limitation, injunctive relief or specific performance if:

- (a) the Grantor fails to comply or threatens to fail to comply with clause 4; or
- (b) IOOF has reason to believe the Grantor will not comply with clause 4.

11.8 No third party beneficiary

This deed shall be binding on and enure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this deed is intended to or shall confer on any other persons any third party beneficiary rights.

11.9 Further action

Each party will do all things and execute all further documents necessary to give full effect to this deed.

11.10 Entire Agreement

This deed supersedes all previous agreements, understandings, negotiations or deeds in respect of its subject matter and embodies the entire deed between the parties.

11.11 Counterparts

- (a) This deed may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this deed by signing any counterpart.

11.12 Remedies cumulative

The rights, powers and remedies provided in this deed are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this deed.

11.13 Time of the essence

Time is of the essence of this deed in respect of any date or period determined under this deed.

11.14 Relationship of the parties

- (a) Nothing in this deed gives a party authority to bind any other party in any way.
- (b) Nothing in this deed imposes any fiduciary duties on a party in relation to any other party

11.15 No merger

The rights and obligations of the parties do not merge on Completion. They survive the execution and delivery of any transfer or other document entered into for the purpose of Completion.

EXECUTED as a deed.

Call Option Deed

Schedule 1 – Option Notice

[insert date]

To: [insert name of relevant Grantor]

Call Option Deed dated [insert] between the Grantors (including [insert name of relevant Grantor]) and IOOF

In accordance with clause 3.1 of the Call Option Deed, IOOF exercises the Call Option in respect of the Option Shares of [insert name of relevant Grantor].

Capitalised terms used in this notice have the same meaning as is given to those terms in the Call Option Deed.

The relevant Completion Date is [insert] and Completion is to take place at [insert] on the relevant Completion Date at the address set out below:

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Signed by [insert] for and on behalf of IOOF

Schedule 2 – Grantor Option Notice

[insert date]

To: The Directors of IOOF Holdings Limited

Call Option Deed dated [insert] between the Grantors (including [insert name of relevant Grantor]) and IOOF

In accordance with clause 6.1 of the Call Option Deed, the Grantor exercises the Grantor Call Option in respect of the Option Shares of **[insert name of relevant Grantor]**.

Capitalised terms used in this notice have the same meaning as is given to those terms in the Call Option Deed.

The relevant Grantor Completion Date is **[insert]** and completion is to take place at **[insert]** at the address set out below:

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Signed by **[insert name of relevant Grantor]**

Schedule 3 – Grantor Acceptance Deed

[insert date]

To: The Directors of IOOF Holdings Limited

Call Option Deed dated [insert] between the Grantors (including [insert name of relevant Grantor]) and IOOF

General

Any term used in this Grantor Acceptance Deed which is defined in the Call Option Deed dated [insert] (the **Deed**) between IOOF and **[insert name of relevant Grantor] (Grantor)** has the meaning given in that Deed.

Undertaking by the Grantor

The Grantor undertakes to IOOF to accept the IOOF Takeover Bid immediately following the completion of the sale and purchase of the relevant Option Shares pursuant to the Grantor's exercise of the Grantor Call Option under clause 6.1 of the Deed.

Power of Attorney

The Grantor irrevocably authorises IOOF and appoints IOOF as its attorney to sign all documents, give all instructions and perform all actions as IOOF thinks necessary or desirable to give effect to the acceptance by the Grantor of the IOOF Takeover Bid and to enable the registration of the transfer of the relevant Option Shares to IOOF pursuant to the terms of the IOOF Takeover Bid. The Grantor agrees to deliver to IOOF upon demand such powers of attorney, instruments of transfer and other instruments as IOOF may require for the purposes of this Acceptance Deed.

Signed by **[insert name of relevant Grantor]**.

Schedule 4 – Grantor Option Shares

Grantor	Option Shares
James Patrick Kilkenny	3,901,409
James Patrick Kilkenny and Alison Margaret Kilkenny as trustees for The Kilkenny Family Trust	2,966,432
James Patrick Kilkenny and Alison Margaret Kilkenny as trustees for the Kilkenny Rose Superfund	2,142,856

Signing page

DATED: 16 MAY 2014

**EXECUTED by IOOF HOLDINGS
LIMITED** in accordance with section
127(1) of the Corporations Act 2001
(Cwth) by authority of its directors:

.....
Signature of director

.....
Name of director (block letters)

.....
Signature of director/company
secretary*

*delete whichever is not applicable

.....
Name of director/company secretary*
(block letters)

*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by **JAMES PATRICK KILKENNY** in the
presence of:

J.K. Ross
.....
Signature of witness

Geoffrey Kendall Ross
.....
Name of witness (block letters)

.....
Signature of JAMES PATRICK
KILKENNY

SIGNED, SEALED AND DELIVERED
by **JAMES PATRICK KILKENNY AND
ALISON MARGARET KILKENNY AS
TRUSTEES FOR THE KILKENNY
FAMILY TRUST** in the presence of:

J.K. Ross
.....
Signature of witness

Geoffrey Kendall Ross
.....
Name of witness (block letters)

.....
Signature of JAMES PATRICK
KILKENNY

Alison Kilkenny
.....
Signature of ALISON MARGARET
KILKENNY

Signature of JAMES PATRICK
KILKENNY

Signature of ALISON MARGARET
KILKENNY

Signature of witness

GEORGEY KENDALL ROSS
Name of witness (block letters)

Signing page

DATED: 16 MAY 2014

**EXECUTED by IOOF HOLDINGS
LIMITED** in accordance with section
127(1) of the Corporations Act 2001
(Cw/ith) by authority of its directors:

.....
Signature of director

.....
Name of director (block letters)

.....
Signature of director/company
secretary*

*delete whichever is not applicable

.....
Name of director/company secretary*
(block letters)

*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by JAMES PATRICK KILKENNY in the
presence of:

J.K. Ross
.....
Signature of witness

GEOFFREY KENDALL ROSS
.....
Name of witness (block letters)

.....
Signature of JAMES PATRICK
KILKENNY

SIGNED, SEALED AND DELIVERED
by JAMES PATRICK KILKENNY AND
ALISON MARGARET KILKENNY AS
TRUSTEES FOR THE KILKENNY
FAMILY TRUST in the presence of:

J.K. Ross
.....
Signature of witness

GEOFFREY KENDALL ROSS
.....
Name of witness (block letters)

.....
Signature of JAMES PATRICK
KILKENNY

Alison Kilkeny
.....
Signature of ALISON MARGARET
KILKENNY

SIGNED, SEALED AND DELIVERED
by JAMES PATRICK KILKENNY AND
ALISON MARGARET KILKENNY AS
TRUSTEES FOR THE KILKENNY
ROSE SUPERFUND in the presence
of:

G.K. Ross
Signature of witness
GEOFFREY KENDALL ROSS
Name of witness (block letters)

[Signature]
Signature of JAMES PATRICK
KILKENNY
[Signature]
Signature of ALISON MARGARET
KILKENNY

Signing page

DATED: _____

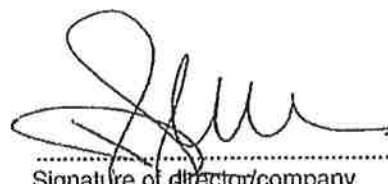
EXECUTED by IOOF HOLDINGS
LIMITED in accordance with section
127(1) of the Corporations Act 2001
(Cwlth) by authority of its directors:



Signature of director

CHRIS KELLAKER

Name of director (block letters)



Signature of director/company
secretary*

*delete whichever is not applicable

Danielle S. Corcoran

Name of director/company secretary*
(block letters)

*delete whichever is not applicable

SIGNED, SEALED AND DELIVERED
by JAMES PATRICK KILKENNY in the
presence of:

Signature of witness

Name of witness (block letters)

Signature of JAMES PATRICK
KILKENNY

SIGNED, SEALED AND DELIVERED
by JAMES PATRICK KILKENNY AND
ALISON MARGARET KILKENNY AS
TRUSTEES FOR THE KILKENNY
FAMILY TRUST in the presence of:

Signature of witness

Name of witness (block letters)

Signature of JAMES PATRICK
KILKENNY

Signature of ALISON MARGARET
KILKENNY