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Company	IOOF Holdings Limited
Code	IFL
Meeting	AGM
Date	28 November 2018
Venue	Shadforth Sharebrokers 161 Collins St. Melbourne
Monitor	Ian Curry assisted by Alan Hardcastle

Number attendees at meeting	74 shareholders/proxyholders and 35 visitors
Number of holdings represented by ASA	239
Value of proxies	$9.22 million
Number of shares represented by ASA	1,354,495 (13th largest shareholder)
Market capitalisation	$2.39 billion
Were proxies voted?	Yes, on a Poll
Pre AGM Meeting?	Yes with Chair & Company Secretary

Spirited and detailed commentary on company principles and performance

As expected, given disclosures by financial services companies at the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, a large number of shareholders attended the AGM. For those who could not attend a webcast of proceedings was available. George Venardos, the Chair, in his address emphasised IOOF's ClientFirst approach, open architecture strategy, advice-led commitment, organic growth, cost and efficiency approach and the importance of the ANZ acquisition in transforming the company. IOOF promotes competitors' products as well as its own.

The Chair acknowledged the negative impact of the Royal Commission and the impact on share price but noted that the company still had positive funds inflows. Action has been taken, following a review by Ernst & Young, to resolve any conflicts of interest arising from being a fund manager and trustee of the Superannuation business by creating separate and independent boards. It has also moved its advice business into the wealth management business as part of planning for the ANZ acquisition. When completed IOOF will be the leading financial advice and investment management business in Australia.

A number of questions were asked by shareholders concerning climate change and how this needs to be taken into account in assessing financial risks. This was addressed to the Auditor and the Board. Has the Board received training in understanding climate risk and their legal obligations? The Chair stated the company is well aware of the need to assess these issues, they are one of only 30 signatories to the Taskforce on climate-related financial disclosures (TCFD) and are one of the largest investors in ethical Funds. ASA asked if there was a policy not to invest in gambling and mining companies. No policy as such but under their ESG principles this is covered.

Questions were asked about liability for remediation costs following the ANZ transaction if it proceeds. The Chair is confident it will and IOOF is protected and substantially indemnified for five years. There will be considerable work to resolve issues arising from the ANZ failure to properly manage member interests.

ASA asked if the Board had reviewed the way in which Board meetings are conducted, recording of minutes and recognition of potential conflicts. We also asked about the future of the Perennial business which has underperformed. The Chair indicated IOOF was a minority partner but indicated that as a value investor some positive signs were emerging. ASA noted the dividend payout ratio at 98% exceeded the preferred range of 70%-90%. The response was that in the short term the ratio would exceed this range but it would be brought back to the indicative range over time.

The re-election of Ms Flynn as a director received 95% of votes in favour. Interestingly a shareholder asked her, as Chair of the Risk committee, if she was aware of legal action against a Fund for failure to factor in climate change risks into investment decisions. She said yes and the Chair asked the shareholder for input into the financial metrics which would assist such decision making.

John Selak was re-elected with 99% of votes in favour.

The remuneration report received 81% of votes in favour with one proxy advisor recommending an against vote based on the view that issues aired at the Royal Commission had not been reflected in key management personnel (KMP) incentive outcomes. ASA noted that incentives for the CEO which had vested were deferred and would this continue until after the Royal Commission reported in February. This was confirmed. We also stated that changes to long-term incentive (LTI) incentives for 2019, namely dropping the return on equity (ROE) gateway did not have our support as only a TSR measure would be used. We asked for a second measure to be added. The Chair noted our request.

The resolution to issue Performance Rights to the CEO received votes in favour of 93%. The resolution to require financial assistance from companies and subsidiaries being acquired as part of the ANZ transaction received votes in favour of 98%.