



29 April 2019

Australian Securities Exchange
20 Bridge St
Sydney NSW 2000

Execution of Transition Agreement

Freedom Insurance Group Limited (ASX:FIG) ("Freedom") today announces it has executed an Administration Services Transition and Settlement Deed ("Transition Agreement") with Swiss Re Life & Health Australia Limited ("Swiss Re") in relation to the transition of its policy administration services.

Administration Services Transition and Settlement

Further to the Company's ASX announcement of 15 April 2019, Freedom confirms it has now executed the Transition Agreement in relation to the transition of its policy administration services. Pursuant to the Transition Agreement:

- The insurer parties being NobleOak Life Limited ("NobleOak"), AIA Australia Limited ("AIA Australia") and Swiss Re will terminate Freedom's product development and distribution, and its policy administration agreements;
- Freedom will transition its policy administration services to Genus Life Insurance Services Pty Ltd ("Genus");
- Together with an external consultant, Swiss Re has agreed to assume responsibility for designing and managing Freedom's customer remediation program;
- Freedom will no longer receive any future trail commissions and other revenue from NobleOak, AIA Australia or Swiss Re, nor will it be required to make commission clawback payments to Swiss Re; and
- Swiss Re will pay Freedom a net Settlement Consideration of \$5.0 million upon completion of the transition of policy administration services.

In addition to the above, Freedom reaffirms its intention to exit Spectrum Wealth Management post completion of the transfer of its policy administration services.

As previously announced, proceeds received from the Transition Agreement will be used to pay creditors, wind down the Company's remaining operations and meet any final outstanding regulatory obligations. The Board intends to return excess funds to shareholders.

Commenting on the transition, Ms Pauline Vamos, Chair of Freedom, said: "The Freedom Board over the past few months has been very focused on delivering the best possible outcome for all stakeholders including policyholders, employees and shareholders.

"Unfortunately, the business has not been able to recover from the cessation of product sales in September 2018 following the release of the ASIC Direct Life Report. However, during this period, we have continued to administer the policies efficiently and respond to our customers' requests in a timely manner. This has been reflected in consistently positive feedback and high ratings for Freedom in online consumer surveys and will assist in ensuring that there is a seamless transition to Genus.

"The Transition Agreement provides certainty to our policyholders and staff, and positions the Company to deliver a return to our shareholders."

Prior to 30 June 2019 Freedom expects to release its half year accounts to 31 December 2018.

ENDS

For more information:

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