

# 2019 Annual General Meeting

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netwealth Group Limited

ABN 84 620 145 404

Level 8/52 Collins Street  
Melbourne VIC 3000

PO Box 336  
South Melbourne VIC 3205

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12 November 2019

## 1. Jane Tongs - Chairman's address

Slides 1-14

## 2. Michael and Matt Heine Joint Managing Directors' address

Slides 15-26

## 3. Formal business (of the AGM)

We will now turn to the formal business of the meeting.

The Notice of Meeting, dated 11 October 2019, was sent to shareholders. I propose that the Notice of Meeting be taken as read.

I would just like to summarise the proxy and voting procedures for this meeting.

### **VOTING ON A POLL FOR ALL RESOLUTIONS**

All Resolutions will be decided on by a poll at today's meeting. The poll will be taken when each item on the agenda has been dealt with in accordance with the Notice of Meeting. Eligible shareholders can use the LinkVote App or mark the voting cards you were issued when registering at the beginning of this meeting. If you are unsure or do not have a voting card please raise your query immediately with a Link representative at the registration desk.

If you are electing to use the voting card, please mark your vote on the card for each resolution and a Link representative will collect the card at the conclusion of the last resolution. The final results of the poll will be announced to the ASX.

Following discussion on each item, the proxy results will be displayed on the screen behind me.

On all items of business, where undirected proxies have been given in favour of the Chairman, I will be voting those proxies in favour of all items.

Please note only persons holding yellow, white or blue admission cards are entitled to ask questions at this meeting. Visitors holding a red card are not eligible to vote or speak, but are most welcome to listen.

[We will now move onto the items of business for this meeting as set out in the Notice of Meeting.](#)

## Item 1 - NETWEALTH GROUP Limited FINANCIAL REPORT

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There will be no vote on this item. It is a discussion item only. Joining us today from our Auditors Deloitte is Neil Brown, if any member wishes to ask the auditors a question, they are welcome to do so.

Are there any questions on the Netwealth Group Limited financial statements, directors' report or the auditor's report?

**[Note: blue, white and yellow cards only can speak]**

[Discussion and questions]

## Item 2 - Adoption of the Remuneration Report

I would now like to invite Davyd Lewis to speak on behalf of the remuneration committee

### **Address from the Chairman of the Remuneration Committee, Davyd Lewis**

On behalf of the Board, I am pleased to provide you with a brief summary of the FY2019 Remuneration Report.

The Board is committed to a remuneration framework targeted on driving excellent customer service, integrity and a performance culture. The remuneration structure must be consistent with and promote adherence to Netwealth's ethics, values, policies and procedures, while at the same time encouraging performance and assisting with retention.

As Jane mentioned earlier, Netwealth's primary focus is on long term performance and our remuneration is structured on that basis.

Our fixed remuneration is determined generally on an annual cycle in accordance with our remuneration framework and having regard to each person's role and responsibilities and Netwealth's performance. The fixed remuneration of the key management personnel for FY2019 is set out in the remuneration report.

Short term incentives in the form of non-discretionary cash bonuses are limited to the sales and distribution team and the Joint Managing Directors. Netwealth only pays a discretionary cash bonus where the Board believes the employee has made an exceptional contribution beyond what could be expected from the normal performance of their role.

As outlined in the remuneration report, a cash bonus of \$180,000 was paid to Joint Managing Director Matt Heine, based on a formula specified under his employment contract. A discretionary cash bonus of \$25,000 was paid to CFO Grant Boyle based on the Board's assessment that he had made an exceptional contribution to Netwealth in FY2019. Joint Managing Director Michael Heine was entitled to a cash bonus under his employment contract but, given his substantial shareholding interest in Netwealth, he has again this year voluntarily forgone that cash bonus.

Turning to FY2020, the Joint Managing Directors' fixed remuneration remains unchanged and they will again be entitled to cash bonuses, subject to fulfillment of personal and corporate performance conditions.

The Board recognises the importance of suitably incentivising senior executives and key staff. To do this, earlier this year the Board has adopted a new long term incentive scheme. Under the new long term incentive scheme, the Board at its discretion may make offers of 'incentive securities' in the form of rights, options, restricted shares or a combination of these. The key terms of the new long term incentive scheme are set out in the remuneration report.

In October the Board made grants of a total of 914,004 options to a number of senior and key employees under the new long term incentive scheme. Under the terms of the options, the employees are entitled to acquire fully paid Netwealth shares at a price of \$7.5544 per share, subject to meeting personal and corporate vesting conditions tested over a vesting period ending on 30 June 2022. There is also a trading restriction on half of the shares allotted for 12 months after the end of the vesting period. The exercise price was based on the Volume Weighted Average Price of Netwealth shares over a five day period after the announcement of the FY2019 results. The corporate vesting conditions are based on a combination of:

- Netwealth's Total Shareholder Return (which must be positive) benchmarked against its peers in the S&P/ASX 300 Diversified Index; and
- the Compound Average Growth Rate of Netwealth's EPS.

Further details of the offer are set out in the remuneration report.

The Board has also determined that 132,373 options should be granted to Joint Managing Director Matthew Heine under the new long term incentive scheme with the same vesting conditions. This is subject to shareholder approval at this meeting under item five.

Finally, in recognition of the value that our employees have provided to Netwealth and to our clients in FY2019, and in recognition of their loyalty to Netwealth, in October the Board made an offer of Netwealth shares to all permanent employees with three or more years of service as at 1 July 2019. Under the offer, free shares to the value of \$1,000 were granted to all eligible employees, subject to a trading restriction for 3 years or until the employee ceases employment.

We are committed to engaging with our shareholders and other stakeholders and I am happy to receive any questions. I would also welcome any feedback you may subsequently want to provide in relation to the remuneration report.

[Discussion Questions]

Thank you, if there are no questions, I'll now pass back to Jane who will put the Remuneration Report resolution to the meeting.

**[Note: blue, white and yellow cards only can speak]**

**To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:**

*“THAT THE REMUNERATION REPORT, WHICH FORMS PART OF THE DIRECTOR’S REPORT FOR THE YEAR ENDED 30 JUNE 2019, BE ADOPTED”*

On the screen behind me are the details of the total valid proxies for this item.

A voting restriction applies to this item of business. Votes may not be cast by or on behalf of a person who is a member of Netwealth’s key management personnel or their closely related parties (regardless of the capacity in which the vote is cast).

However, a vote may be cast:

- by a person as proxy on behalf of a person who is entitled to vote on the resolution in accordance with the directions on the Voting Form; or
- by the person chairing the Meeting, provided that the proxy appointment expressly authorises the Chairperson to exercise the proxy even though the resolution is connected with the remuneration of the key management personnel. The Voting Form accompanying the Notice of Meeting included this authorisation to enable the chair of the Meeting to cast undirected proxies.

All eligible shareholders may now cast their vote using the voting card or the LinkVote App.

Voting time 30 secs approx.

I will now move onto the next item.

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### Item 3. Re-election of Davyd Lewis as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

*"THAT DAVYD LEWIS A NON-EXECUTIVE DIRECTOR OF THE COMPANY, AND BEING ELIGIBLE AND OFFERING HIMSELF FOR ELECTION, BE RE-ELECTED AS A DIRECTOR OF THE COMPANY"*

Is there any discussion on this item?

**[Note: blue, white and yellow cards only can speak]**

[Discussion and questions]

On the screen behind me are the details of the total valid proxies for this item.

All eligible shareholders may now cast their vote using the voting card or the LinkVote App.

Voting time 30 secs approx.

I will now move onto the next item.

### Item 4. Election of Sally Freeman as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

*"THAT SALLY FREEMAN BEING ELIGIBLE AND OFFERING HERSELF FOR ELECTION, BE ELECTED AS A DIRECTOR OF THE COMPANY"*

Is there any discussion on this item?

**[Note: blue, white and yellow cards only can speak]**

[Discussion and questions]

On the screen behind me are the details of the total valid proxies for this item.

All eligible shareholders may now cast their vote using the voting card or the LinkVote App.

Voting time 30 secs approx.

I will now move onto the next item.

## Item 5. Joint Managing Director Long Term Incentive Award

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

*“THAT FOR THE PURPOSE OF ASX LISTING RULE 10.14, APPROVAL IS GIVEN TO GRANT 132,373 OPTIONS TO MR MATTHEW HEINE IN ACCORDANCE WITH THE COMPANY’S EQUITY INCENTIVE PLAN”*

Is there any discussion on this item?

[Note: blue, white and yellow cards only can speak]

[Discussion and questions]

On the screen behind me are the details of the total valid proxies for this item.

A voting restriction applies to this item of business. Votes may not be cast by or on behalf of a person who is a member of Netwealth’s key management personnel or their closely related parties (regardless of the capacity in which the vote is cast).

However, a vote may be cast:

- by a person as proxy on behalf of a person who is entitled to vote on the resolution in accordance with the directions on the Voting Form; or
- by the person chairing the Meeting, provided that the proxy appointment expressly authorises the Chairperson to exercise the proxy even though the resolution is connected with the remuneration of the key management personnel. The Voting Form accompanying the Notice of Meeting included this authorisation to enable the chair of the Meeting to cast undirected proxies.

All eligible shareholders may now cast their vote using the voting card or the LinkVote App.

Voting time 30 secs approx.

That concludes our meeting, as mentioned earlier the final results of the poll will be announced to the ASX.

Thank you all for attending the AGM of Netwealth Group Limited today.

Contact Netwealth for more  
information about this or other  
Netwealth products

Freecall 1800 888 223

Email [contact@netwealth.com.au](mailto:contact@netwealth.com.au)

Web [www.netwealth.com.au](http://www.netwealth.com.au)