



Company	Netwealth Group Ltd
Code	NWL
Meeting	AGM
Date	28 October 2020
Venue	Virtual, online Link Market Services
Monitor	Alan Hardcastle (proxy collector)

Number attendees at meeting	Virtual, unknown
Number of holdings represented by ASA	18
Value of proxies	\$0.94m
Number of shares represented by ASA	54,476
Market capitalisation	\$4.1b
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	No, proxy collection only

Quiet AGM reflected good results and strong family ties

Held as a virtual annual general meeting (AGM), Netwealth's (NWL) AGM was a short, less than one hour, meeting that was notable again for the lack of shareholder participation and the short business of meeting agenda. The meeting did, pleasingly, include a live video of speakers.

NWL, as well as most other financial investment platforms, has enjoyed strong FY20 growth. The company is notable for the large shareholding the founding Heine family has, some 49%, of total ordinary shares.

While online shareholders and guests were made to feel welcome and the meeting was conducted in an exemplary manner, the drawbacks of a virtual AGM were apparent. The ASA monitor was the only shareholder to ask questions and the chair thanked him for being involved. However, the ASA's statements with concomitant questions were not always put in total and lacked the impact that can be achieved with a 'live' meeting.

Chair Jane Tongs introduced the board; senior executives; covered FY20's financial highlights; the company's Covid-19 response; and compliance and general governance. She was followed by chief

executive officer Matt Heine who explained the company's strategy; industry trends; and delivered a first quarter FY21 update.

https://yourir.info/resources/3929695d306a6404/announcements/nwl.asx/3A553918/NWL_2020_AGM_Presentation.pdf

There were just four agenda items and all were passed by more than 97% for votes. They were the annual financial report (no vote required); adoption of the remuneration report; re-election of joint managing director Michael Heine as a director; and re-election of Timothy Antonie as a director.

Non-executive director (NED) and chair of the remuneration committee, Timothy Antonie, gave an explanation of NWL's new remuneration scheme. While it does not completely fit with the ASA's guidelines, on balance it contains enough positives for the ASA to have voted for it, keeping in mind that the company in FY20 was still operating under both the old (established pre listing) and new schemes.

The ASA monitor questioned the chair on her 'independence' and she pointed out that the board had assessed her as being independent; and that she will not be standing again in leaving the board in 2021. The ASA's question on the need for a more diverse board - three of the six NEDs are not independent - was not addressed by the chair, again something that could have been better tackled in an open face-to-face forum.

Also queried by the ASA monitor was non-executive director Timothy Antonie's the lack of 'skin in the game' as he holds no ordinary shares after five years. The chair said he holds shares - performance shares held under a pre listing long term incentive - that will vest next year and that will meet the ASA's guidelines. Under the new remuneration scheme, NEDs are not entitled to participate in short term incentive and long term incentive schemes.

NWL is quickly finding its feet as a publicly listed company, this being the third AGM. However, more board diversity is needed.