

20 November 2017

ASX Announcement

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Pre-quotation disclosure

The following information is provided to ASX Limited for release to the market in connection with the admission to the official list and official quotation on a conditional and deferred settlement trading basis of 237,679,816 fully paid ordinary shares (Shares) in Netwealth Group Limited (ACN 620 145 404) (Company) in connection with the Company's initial public offering (Offer).

Capitalised terms used and not defined in this letter have the meaning given to them in the prospectus lodged by the Company with the Australian Securities and Investment Commission (ASIC) on Tuesday, 24 October 2017 (Prospectus).

The Company applied for quotation of its Shares on, and admission to, the official list of the Australian Securities Exchange (ASX) Tuesday, 24 October 2017.

1 Basis of allocation of Shares

The allocation of Shares between the Broker Firm Offer, Institutional Offer, Platform Priority Offer and General Priority Offer was determined by agreement between the Company and the Joint Lead Managers, having regard to the allocation policies outlined in Sections 7.3 through 7.7 of the Prospectus.

- a. **Broker Firm Offer:** For Broker Firm Offer participants, the relevant Broker decided how to allocate Shares among its retail clients, and it (and not the Company or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from it receive the relevant Shares. Broker Firm Offer participants should contact their Broker to confirm their allocation of Shares.
- b. **Institutional Offer:** The allocation of Shares to participants under the Institutional Offer was determined by agreement between the Company and the Joint Lead Managers. The Joint Lead Managers have advised participants under the Institutional Offer of their allocation of Shares.
- c. **Platform Priority Offer:** Platform Advisers who were eligible to apply under the Platform Priority Offer were guaranteed a reserved allocation decided by the Company in agreement with the Joint Lead Managers. All Platform Adviser Applications for additional Shares above their reserved allocation were subject to scale back on a pro rata basis. The relevant Platform Adviser decided how to allocate Shares among its clients, and it (and

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not the Company or the Joint Lead Managers) will be responsible for ensuring that clients who have received an allocation from it receive the relevant Shares.

- d. General Priority Offer: The allocation of Shares to participants under the General Priority Offer was determined by the Company. Applicants under the General Priority Offer were guaranteed a reserved allocation.
- e. Employee Offer: The allocation of Shares to participants under the Employee Offer was determined by the Company. Eligible Employees received an allocation of 270 Shares under the Employee Offer.

Applicants may make general enquiries regarding the Offer by contacting the Offer Information Line on 1800 888 223 (within Australia) or +61 3 9655 1300 (outside Australia) from 8.30am to 6.00pm (AEDT), Monday to Friday (Business Days only).

2 Offer Price and number of Shares to be issued

The Offer Price is \$3.70 per Share.

The number of Shares to be issued to successful Applicants under each component of the Offer is set out in the table below.

Component of the Offer	Number of Shares to be issued under the Offer
Broker Firm Offer	16,891,892
Institutional Offer	46,620,446
Platform Priority Offer	7,188,094
General Priority Offer	647,190
Employee Offer	63,990
Total	71,411,612

3 Issue of Shares and despatch of holding statements

The Company intends to issue Shares to Applicants under the Prospectus on Friday, 24 November 2017.

CHES allotment notices, issuer sponsored holding statements and any refund money are expected to be despatched on Monday, 27 November 2017. For successful Applicants who have applied for Shares through the Netwealth Platform, the Shares will appear in their Netwealth Platform accounts available online.

4 Conditional trading

The conditions for the conditional market are:

- a. settlement under the Underwriting Agreement;
- b. completion of the allotment and issue of Shares to Applicants under the Prospectus; and
- c. completion of the share sale agreement (in connection with the Restructure).

The last of these conditions is expected to be satisfied on Friday, 24 November 2017.

5 Voluntary escrow arrangements

As described in Section 9.2 of the Prospectus, each Heine Shareholder has entered into a voluntary escrow deed with the Company in relation to Shares they will hold on Completion of the Offer (other than the 325,584 Shares held by Leslie Heine through a Netwealth superannuation product which will not be subject to escrow arrangements due to legal restrictions relating to the manner in which they are held). Under each voluntary escrow deed, the relevant Heine Shareholder agrees, subject to certain limited exceptions, not to deal in those Shares until the end of the relevant escrow period, as described below.

The Shares held by Michael Heine and Matthew Heine, and entities controlled by them, will be escrowed until:

- a. in respect of 100% of the Escrowed Shares held by Michael Heine and Matthew Heine and entities controlled by them at Completion, the date on which the Company's audited financial report for FY2018 is provided to the ASX; and
- b. in respect of 50% of the Escrowed Shares held by Michael Heine and Matthew Heine and entities controlled by them at Completion the date on which the Company's audited financial report for FY2019 is provided to the ASX.

The Shares held by Leslie Heine and entities controlled by him (other than the 325,584 Shares held by Leslie Heine through a Netwealth superannuation product which will not be subject to escrow arrangements due to legal restrictions relating to the manner in which they are held) will be escrowed until the date on which the Company's audited financial report for FY2018 is provided to the ASX for release to the market.

The number and percentage of Shares subject to voluntary escrow arrangements is set out in the table below.

Shareholder	Number of Escrowed Shares (on Completion of the Offer) (million)	Escrowed Shares (as a percentage of Shares on Completion of the Offer)
Leslie Max Heine Pty Ltd as trustee for The LMH Trust (an entity controlled by Leslie Heine)	22.1	9.3%
Heine Brothers Pty Ltd as trustee for the MMH Trust (an entity controlled by Michael Heine)	125.9	53.0%
Matthew Heine (and entities controlled by him)	3.2	1.4%
Total	151.2	63.6%

6 Performance Shares

At the request of ASX, the terms of issue of the Performance Shares have been amended to alter the definition of Change of Control Event, and delete the definition of Control. A change of control will now be defined as follows:

Change of Control Event means the occurrence of:

- (a) *the offeror under a takeover offer in respect of the voting shares of the Company announcing that it has achieved acceptances in respect of 50.1% or more of the voting shares; and*
 - (b) *that takeover offer having become unconditional; or*
- the announcement by the Company that:*
- (c) *the holders of voting shares of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme or arrangements under which all the voting shares in the Company are to be either cancelled (except in respect of any shares retained by a third party); or transferred to a third party; and*
 - (d) *the Court, by order, approves the proposed scheme or arrangement,*
- but shall not include a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company.*

A copy of the revised Performance Share Terms is attached.

7 Further information

The toll-free Offer Information Line administered by the Company and the Share Registry, which has been available since the start of the Broker Firm Offer Period, will remain open until after despatch of holding statements in order to deal with enquiries.

The Company confirms that the number of available lines is expected to be sufficient to meet the anticipated volume of queries from Applicants.

8 Documents enclosed for release to the market

Enclosed for release to the market are the following documents:

- a. an indicative statement setting out the names of the 20 largest Shareholders;
- b. an indicative distribution schedule of the number of holders of Shares setting out the number of holders in each category specified by ASX (which is also evidence of the Company having met the spread requirements of listing rule 1.1 condition 8);
- c. the Company's Appendix 1A and Information Form and Checklist;
- d. the Prospectus;
- e. the Company's constitution;
- f. a statement from the Directors in accordance with listing rule 1.2.5A;
- g. NHL's audited combined financial statements for the full years ended 30 June 2015, 30 June 2016 and 30 June 2017;
- h. the Company's securities trading policy;
- i. a copy of the Company's revised Performance Share terms; and
- j. the ASIC Instrument of Relief under subsection 259C(2) of the *Corporations Act 2001* (Cth).

Important Notice: This notice does not constitute an offer to sell or a solicitation of any offer to buy securities in the United States or to any person to whom it would not be lawful outside of Australia. The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (US Securities Act) or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. This notice must not be distributed or released in the United States, or in any jurisdiction outside of Australia where distribution may be restricted by law.