

**Australian Securities and Investments Commission
Corporations Act 2001 – Subsection 259C(2) – Exemption**

Enabling legislation

1. The Australian Securities and Investments Commission (*ASIC*) makes this instrument under subsection 259C(2) of the *Corporations Act 2001* (the *Act*).

Title

2. This instrument is ASIC Instrument 17-1041.

Commencement

3. This instrument commences the day it is signed.

Exemption

4. Netwealth Group Limited ACN 620 145 404 (the *Company*) is exempt from the operation of section 259C of the Act.

Where exemption applies

5. Subject to paragraph 6, the exemption applies to the issue or transfer of shares or units of shares of the Company to a prescribed controlled entity in any of the following circumstances:
 - (a) an issue of shares or units of shares made under:
 - (i) the Initial Public Offer of the Company;
 - (ii) Exceptions 1, 5, 6, 7, 9, 14, or 15 in Rule 7.2 of the ASX Listing Rules;
 - (iii) Exception 4 in Rule 7.2 of the ASX Listing Rules on the conversion of convertible securities but only to the extent the convertible securities were issued under an exception specified in sub-subparagraph (ii);
 - (iv) a placement of shares made by the Company where:
 - (A) no more than 15% of the shares issued in the placement are allocated to all controlled entities; and
 - (B) participation in the placement by controlled entities is on the same or no more favourable terms as the terms for other participants;

- (b) a transfer of shares or units of shares:
 - (i) effected on the financial market operated by ASX and not by way of a special crossing; or
 - (ii) under or as a result of a transaction between the transferor and the prescribed controlled entity that:
 - (A) where Part 5C.7 of the Act applies to the transaction – does not contravene that Part;
 - (B) otherwise – would not contravene Chapter 2E of the Act if that Chapter applied as if section 214 of the Act were omitted;
- (c) in relation to a prescribed controlled entity of the kind referred to in paragraph (iii) of the definition of *prescribed controlled entity*:
 - (i) an issue of shares or units of shares which satisfies subparagraph 5(a); or
 - (ii) a transfer of shares or units of shares which satisfies paragraph 5(b),

that is made to a superannuation fund of which the prescribed controlled entity is trustee.

6. The exemption does not apply unless the Company has given to ASIC a deed for the benefit of, and enforceable by, ASIC under which the Company and, if applicable, a prescribed controlled entity that is a trustee of a superannuation fund undertake:
 - (a) to ensure that a prescribed controlled entity does not exercise votes attached to shares issued or transferred in the circumstances specified in paragraph 5; and
 - (b) to ensure that the number of votes attached to all voting shares of the Company in respect of which the Company or its controlled entities have the power to control voting or disposal (excluding any Excluded Shares), does not exceed 5% of the total number of votes attached to all voting shares of the Company; and
 - (c) that in calculating the percentage referred to in subparagraph 6(b), include only those Company shares underlying a derivative where the Company or its controlled entity has a relevant interest in those underlying shares; and
 - (d) to disclose to ASX:

- (i) within 2 business days of the commencement of trading in the Company's ordinary shares on the ASX and thereafter within 2 business days after the end of 3 months from the date the last disclosure was made under this subparagraph:
 - (A) the number of voting shares of the Company (excluding any Excluded Shares) in respect of which it or its controlled entities have the power to control voting or disposal expressed as a percentage of the total number of shares of the Company; and
 - (B) the number of voting shares of the Company (excluding any Excluded Shares) in respect of which it or its controlled entities have a net economic exposure to shares of the Company expressed as a percentage of the total number of shares of the Company; and
- (ii) no later than before the end of two business days after the day on which the Company became aware of the movement, any movement of at least 1% in either of the percentages referred to in sub-subparagraph (i); and
- (iii) a copy of this instrument within 2 business days of commencement of trading in the Company's ordinary shares on the ASX,

and, in making the disclosures in (i) and (ii), to include the details set out in subsection 671B(3) of the Act as if section 671B applied; and

- (e) to:
 - (i) keep records of acquisitions and disposals of shares of the Company and derivatives by it and its controlled entities for a period of at least 12 months after the date of the acquisition or disposal; and
 - (ii) within 5 business days after receipt of a written request, make those records available for inspection by ASIC; and
- (f) to give a written notice to ASIC within 5 business days after becoming aware that it has failed to comply with the terms of the deed, other than in an immaterial respect, and setting out the details of the non-compliance.

Interpretation

- 7. In this instrument:

- (a) **ASX** means ASX Limited ACN 008 624 691, or where the context requires, the Australian Securities Exchange which it operates;

ASX Listing Rules means those rules as in force on the date of this instrument, as at the date of this instrument;

controlled entity means an entity that is controlled, within the meaning of section 259E of the Act, by the Company;

derivative means a derivative within the meaning given by section 761D of the Act for which the value of the arrangement is ultimately determined, derived from or varies by reference to (wholly or in part) the value of shares of the Company;

economic exposure means a financial exposure that:

- (i) arises because of an arrangement (including, but not limited to, a derivative) in relation to shares of the Company; and
- (ii) may result in the incurring of a profit or a loss to the Company or its controlled entities as a result of a change in the price or value of shares of the Company;

Excluded Shares means any shares in the Company:

- (i) subject to any voluntary escrow deed entered into in connection with the Company's Initial Public Offer;
- (ii) issued pursuant to an employee gift offer in connection with the Company's Initial Public Offer and subject to trading restrictions and a holding lock; or
- (iii) issued pursuant to an employee share scheme and subject to a holding lock until the shareholder loan attached to the relevant share is repaid;

Initial Public Offer means the offer of ordinary shares made under a prospectus to be lodged with ASIC by the Company on 24 October 2017 for the purpose of the listing and quotation of the Company's shares;

prescribed controlled entity means a controlled entity that is:

- (i) a responsible entity of a registered scheme;
- (ii) a trustee of a unit trust; or
- (iii) a trustee of a superannuation fund;

special crossing has the meaning given by the operating rules of ASX as in force as at the date of this instrument, as at the date of this instrument;

- (b) for the purposes of sub-subparagraph 6(d)(i), in calculating the number of shares of the Company in respect of which it or its controlled entities have a *net economic exposure*, if, in relation to an economic exposure, a change in the price or value of the shares would result in a profit (or loss) in respect of a share and an offsetting loss (or profit) in respect of another share, do not include those shares in the calculation.
- (c) for the purposes of sub-subparagraph 6(d)(ii) there is a *movement of at least 1%* in a percentage referred to in sub-subparagraph 6(d)(i) if the percentage increases or decreases by one or more percentage points from the percentage last disclosed under subparagraph 6(d).

Dated this 17th day of November 2017



Signed by Annabel Gibson
as delegate of the Australian Securities and Investments Commission

