

# **EQUITY TRUSTEES LIMITED (EQT)**

## **Scheme Meeting**

**Friday 27 November 2015 at 12.00pm**

**(or as soon after that time as EQT's Annual General Meeting has been concluded or adjourned)**

## **Chairman's script**

### **Slide 1: Cover page**

### **12.00pm – PRELIMINARY MATTERS**

1. Good afternoon ladies and gentlemen. My name is Tony Killen and, as Chairman of Equity Trustees Limited (EQT) I would like to welcome you to this Scheme Meeting of EQT shareholders convened by order of the Supreme Court of Victoria.
2. It is the appointed time for the Scheme Meeting and there being a quorum present, I declare the Scheme Meeting open.
3. Joining me are the Directors and Company Secretary of EQT, who I introduced to you at our Annual General Meeting a little earlier. Also with us today are representatives of Computershare Australia who will assist with voting at this meeting and Mr Craig Henderson, from Allens, our legal advisers. Mr Mark Ekkel, our tax advisor and Mr Neil Brown from Deloitte, our auditors are also in attendance.
4. This meeting has been convened for shareholders to consider and, if thought fit, pass a resolution agreeing to a scheme of arrangement between EQT and its shareholders.

5. A copy of the Scheme is set out in Schedule 1 to the Scheme Booklet dated 12 October 2015.
6. The notice convening the Scheme Meeting has been distributed to shareholders as part of the Scheme Booklet.

### **CHAIRMAN'S INTRODUCTION**

7. As you know I will be inviting you to vote on a resolution which will enable the establishment of a new non-operating holding company for the EQT group. This company, called EQT Holdings Limited, will be superimposed or "top-hatted" above Equity Trustees Limited and will be the new ASX-listed parent entity of the EQT Group.
8. If the Scheme is approved, EQT shareholders who hold EQT shares on the Record Date (that is, at 7pm on Monday 7 December 2015) will exchange each of their EQT shares for one share in EQT Holdings Limited.
9. As set out in the Scheme Booklet, the Independent Expert, Pitcher Partners, concluded that the Scheme is fair and reasonable, and in the best interests of EQT shareholders.

### **Slide 2: Scheme Resolution**

10. Your Board unanimously recommends that you vote in favour of the resolution, shown here, to approve the Scheme.
11. Each Director of EQT intends to vote all of the EQT shares held or controlled by them in favour of the resolution to approve the Scheme.

12. If approved by shareholders today, EQT will seek the final approval of the Supreme Court of Victoria on Wednesday, 2 December 2015. If court approval is granted, that will also be the last day of trading of EQT shares on the ASX.
13. Shares in EQT Holdings Limited will be listed on the ASX, and EQT will become a wholly-owned subsidiary of EQT Holdings Limited. Trading in EQT Holdings Limited shares will commence on a deferred settlement basis on Thursday 3 December 2015, and on a normal (T+3) basis on Tuesday 15 December 2015.
14. Further information on the Scheme is contained in the Scheme Booklet which was distributed to all EQT shareholders.
15. It is now appropriate that I update you on the position in relation to the tax ruling which we indicated in the Scheme Booklet would be sought in respect of shareholders.
16. I am pleased to report that the ATO has formally issued a Class Ruling this week which confirms that rollover relief applies to all resident EQT shareholders and applicable non-resident shareholders – in short, the Ruling confirms that the restructure would not trigger a tax liability for shareholders.
17. Before taking you through the formal resolution to be voted on, I would like to make a few brief comments in relation to the Scheme. You will recall that I did so during the AGM earlier today, but it is appropriate to explain this again.

18. The decision to update the EQT Group's corporate structure (which has been in place as it stands for a number of years), is a reflection of the substantial growth of the group, both organically and by acquisition, and our desire to create the most efficient and flexible structure for the future.
19. We have also experienced significant changes to the regulatory environment in which we operate. In particular, this has meant that from 1 July this year, we have been required to hold significantly increased capital in order to meet our regulatory obligations under our licenses, although we did receive some relief from ASIC in the timing of this as it applied to the company.
20. As mentioned in the Scheme Booklet, the Board believes the top-hat structure facilitated by the Scheme and subsequent actions that are being planned will have a range of benefits.
21. One of the most significant of these is greater funding flexibility to assist us to meet capital obligations and more effectively manage our capital base. This flexibility will also assist us to take more advantage from the range of potential funding options if a further suitable acquisition opportunity arises. In particular, the establishment of the top-hat company will enable us to access debt should that be an appropriate option or element of an overall funding model at the time.
22. Other benefits include a more focussed structure to support our corporate governance objectives and approach, better alignment of the group's business activities to corporate entities, and freeing up directors' time to enable them to dedicate a greater proportion to strategic issues.

### Question 1: Slide 3

23. This year we invited questions from shareholders to be submitted prior to the AGM. In relation to the Scheme Meeting, we have received the following three questions from shareholders which I will now address:

24. Q: *“Will the Dollar value at the time of acceptance of the “Scheme” of EQT shares be like for like when transferred to the “NEW CO” shares and then on to whatever the new company name and their share name. Will a \$1.00 share remain as a \$1.00 share or will this be reduced to a 50c Share?”*

R: There will be no changes in this respect – the proposal is that a \$1.00 share in the existing listed company will be exchanged for a \$1.00 share in the new holding company, but the market value will continue to be set by the current and prospective shareholders in trading on the ASX.

### Question 2: Slide 4

25. Q: *“This “scheme” appears to be almost a “Fait Au Complet”. What guarantee will be given that the licenced trustee company(s) will not be traded off. What Guarantee will be given by the board that it’s implementation of the scheme and beyond, all shareholders will not be financially penalised to pay for changes and the new company set up?”*

R: No Board can give guarantees that there will never be significant or material changes in future business activities, companies operated, licences held or strategic directions.

But I refer you to the comments on our strategic directions that the Managing Director and I made at our AGM earlier, and our focus on continuing to be Australia's leading independent, listed fiduciary company.

That implies that our trustee company heritage will be maintained into the future and play a key part in achieving our goals – for clients, shareholders and our other stakeholder groups. In terms of financial penalties – the company is bearing some cost arising from this proposal and the restructure – but the Board is satisfied that these costs are very well justified by the lasting benefits that the Scheme will facilitate.

### Question 3: Slide 5

26. Q: *“I am concerned with the scheme arrangement the name Equity Trustees ..... Company will disappear or be down profiled. The name itself is historic it has been part of the historical evolution of Melbourne and is respected among, certainly the older generation. I fear it could be replaced by some gimmick name that does not reflect the culture of involvement of Equity trustees. If however it is felt necessary to name change perhaps suggestions from clients, associates, shareholders could be made and not left to a trendy marketing group.”*

R: It is fully intended that the name 'Equity Trustees' will continue to be the name that clients and other external parties will recognise and be aware of in all their dealings with us. The actual operating, licensed "Equity Trustees Ltd" company remains entirely in place, doing the same things in the same way as it does now. Current and potential clients will notice no change, as there will be none, in our public presentation, brands, identity and who they do business with.

- 27. I now invite questions from shareholders, proxy holders and authorised representatives of shareholders.
- 28. If you would like to comment or ask a question would you kindly show your meeting admittance card, (green or yellow), identify yourself, including who you represent, and be clear and concise.
- 29. Are there any questions or comments?

## **FORMAL BUSINESS**

- 30. I now turn to the formal business of this meeting.

## **Voting**

- 31. In this formal part of the proceedings, only eligible shareholders or their proxy holders, attorneys or body corporate representatives may ask questions or vote. In order to ensure that each and every vote is properly recorded and to comply with the Court's directions, the resolution is to be put to a poll. This procedure records the votes of all shareholders who vote in person and who lodge proxies.

- 32. Shareholders entitled to vote on the Scheme resolution will have one vote for every fully paid share held in EQT.
- 33. Those of you who are eligible to vote at this meeting should have received a green voting card on registration this morning. If you have not yet registered for this meeting and believe you are entitled to, please do so now. I will allow a few minutes for this if required.

#### **Notice of Share Scheme Meeting**

- 34. Notice of this meeting and its explanatory notes are set out in Schedules 4 and 5 to the Scheme Booklet. The Scheme Booklet was despatched on 26 October 2015, and accordingly adequate notice has been given for this meeting.
- 35. I propose that the notice be taken as read.
- 36. Are there any objections?

**[IF NO OBJECTIONS.]**

- 37. Thank you.

**[IF ANY OBJECTIONS – READ THE NOTICE.]**

#### **Slide 6: Proxies**

- 38. As indicated in the Notice of Scheme Meeting, the deadline for the lodgement of proxy appointments was 12.30pm on 25 November 2015. Proxy appointments lodged after this deadline are not valid.
- 39. I would like to inform the voters that the proxy position at the onset of the meeting is as shown on the screen. In relation to open votes the directors of Equity Trustees hold proxies totalling 187,084 shares which we intend to vote in favour of the scheme.



## Slide 7: Resolution (repeated)

### Scheme Resolution

**[CHECK TEXT OF THE RESOLUTION IS ON THE SCREEN.]**

40. On the screen is the text of the Scheme Resolution, as set out in the notice of this meeting.
41. If the resolution is passed today and all remaining conditions satisfied (including approval by the Court at the Second Court Hearing), all EQT shares will be transferred to EQT Holdings Limited, a non-operating holding company incorporated for the purposes of the Scheme, in return for one EQT Holdings Limited share for each EQT share. The transfer of EQT shares and issue of EQT Holdings Limited shares is expected to occur on Monday, 14 December 2015.
42. In accordance with the requirements of the Corporations Act, in order to pass, the resolution must be approved by:
  - a majority in number of eligible EQT shareholders present and voting at this meeting in person or by proxy; and
  - EQT shareholders holding at least 75% of the total number of votes cast by EQT shareholders present and voting at this meeting in person or by proxy.
43. Is there any further discussion on the item of business?

**[PAUSE]**

## Poll

44. Pursuant to orders of the Court, I now call for a poll on the resolution. Representatives of Computershare Australia will conduct the poll.
45. Please now complete your green voting card.
- If you approve of the resolution – mark the box headed "FOR";
  - if you do not approve of the resolution – mark the box headed "AGAINST"; or
  - if you wish to abstain from voting on the resolution – mark the box headed "ABSTAIN" (in which case your vote will not be counted for the purposes of calculating the required majorities).

[PAUSE TO ENABLE SHAREHOLDERS TO VOTE]

46. Representatives of Computershare Australia will collect the cards. This should not take very long and I thank you for your patience.

[AFTER A REPRESENTATIVE OF COMPUTERSHARE HAS INDICATED THAT THEY HAVE COMPLETED COLLECTING VOTING CARDS.]

47. It now seems that all votes have been cast. Are there any more green voting cards to collect?

[AFTER ANY ADDITIONAL VOTING CARDS ARE COLLECTED.]

48. I now declare the poll closed and adjourn this meeting for 30 minutes while the votes on the poll are tallied.
49. You are most welcome to join us for refreshments in the foyer.
50. If you are unable to stay and attend the reconvened meeting, the results of this poll will be available on the ASX later this afternoon.

## **Result**

### **[ONCE THE RESULT IS AVAILABLE]**

51. Ladies and gentlemen, let us reconvene as all valid votes on the poll have been tallied and I have the result.
52. The Scheme Resolution was approved by:
- [\*]% of EQT shareholders present and voting at the meeting in person or by proxy; and
  - [\*]% of votes cast by EQT shareholders present and voting at the meeting (in person or by proxy).
53. I therefore declare that the Scheme Resolution was passed by the required majorities being:
- a majority in number of EQT shareholders present and voting at this meeting in person or by proxy; and
  - EQT shareholders holding at least 75% of the total number of votes cast by EQT shareholders present and voting at this meeting in person or by proxy.
54. I therefore declare the resolution carried.

## **CLOSURE**

- 55. Ladies and gentlemen, that concludes the formal business of the meeting and as there is no other business to be considered I declare this meeting closed.
- 56. Thank you for your attendance and for your support of the company as we now move on to implement the significant decision taken today.

# 2015

## **SCHEME MEETING**

27 November 2015

# *Scheme Resolution*



That, pursuant to and in accordance with section 411 of the *Corporations Act*, the scheme of arrangement proposed between Equity Trustees Limited and the holders of its ordinary shares, as contained in and more particularly described in the document of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Supreme Court of Victoria).

# Question 1



*“Will the Dollar value at the time of acceptance of the “Scheme” of EQT shares be like for like when transferred to the “NEW CO” shares and then on to whatever the new company name and their share name. Will a \$1.00 share remain as a \$1.00 share or will this be reduced to a 50c Share?”*

## Question 2



*“This “scheme” appears to be almost a “Fait Au Complet”. What guarantee will be given that the licensed trustee company(s) will not be traded off. What Guarantee will be given by the board that it’s implementation of the scheme and beyond all shareholders will not be financially penalised to pay for changes and the new company set up.”*



## Question 3



*“I am concerned with the scheme arrangement the name Equity Trustees ..... Company will disappear or be down profiled. The name itself is historic it has been part of the historical evolution of Melbourne and is respected among, certainly older generation. I fear it could be replaced by some gimmick name that does not reflect the culture of involvement of Equity trustees. If however it is felt necessary to name change perhaps suggestions from clients, associates, shareholders could be made and not left to a trendy marketing group.”*

## *To consider the approval of the Scheme Resolution*

The following votes have been tallied:

For	Against
11,064,628	38,036

Open (held by Equity Trustees Directors) = **187,084**

# *Scheme Resolution*



That, pursuant to and in accordance with section 411 of the *Corporations Act*, the scheme of arrangement proposed between Equity Trustees Limited and the holders of its ordinary shares, as contained in and more particularly described in the document of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Supreme Court of Victoria).

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