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CountPlus
Quality Partnerships, Leading Advice

Annual General Meeting 2018
Address by Ray Kellerman
Non-Executive Chair



Welcome

Good afternoon ladies and gentlemen. It is my pleasure to welcome you to the eighth annual general meeting of CountPlus Limited.



I wish to start by acknowledging the traditional owners of the land on which we meet – the Gadigal peoples of the Eora Nation as the traditional custodians of this place we now call Sydney. I pay my respects to their elders past and present.

I note that (under clause 9.7 of the CountPlus Constitution) I will be chairing the meeting in my capacity as chair of the board of directors. The appointed time for the meeting has been reached and there is a quorum of five members present and so I am pleased to declare the meeting open.

You will have received the Notice of this Meeting containing the agenda, the resolutions as well as the 2018 Annual Report containing the Remuneration Reports and Directors' Details.

First let me introduce and welcome our CEO and Directors who will be available to speak with you after the meeting:

Chief Executive Officer and Managing Director

- ▶ **Matthew Rowe**

Non-Executive Directors

- ▶ **Alison Ledger**
Chair of the Remuneration and Nominations Committee
- ▶ **Kate Hill**
Chair of the Audit and Risk Committee; and
- ▶ **Andrew McGill**
Chair of the Acquisitions Committee

Also in attendance are:

Company Secretary

- ▶ **Laurent Toussaint**
(Laurent is also our Chief Financial Officer)

Grant Thornton (our Auditors)

- ▶ **Conor Farley** (Partner) and **Stephen Thomas** (Partner)

We thank Grant Thornton for the use of their premises today.

Thomson Geer Lawyers

- ▶ **David Zwi**

David will be available to answer any legal questions.

The CountPlus Corporate Team including:

Chief Operating Officer

- ▶ **Mr Graham McGeagh**

Our New General Counsel

- ▶ **Narelle Wooden**

Today, as your Chair, I will go through some meeting formalities followed by both my address as Chair and then a financial and operational update from the CEO Matthew Rowe.

Matthew and I will then be available to answer any questions. After the opportunity for questions I will conduct the more formal part of the meeting including the various reports and resolutions. The meeting will then close and tea and coffee will be available at the rear of this room.

Quorum

A quorum is present; all shareholders and proxies present have signed the attendance book; proxies have been inspected and all those validly lodged have been accepted.

Proxies have been received representing 65,813,825 shares or 57.62 per cent of the issued capital of 114,222,559 shares.

Notice of Meeting

The AGM Notice of Meeting was mailed to all registered members on 17 October 2018 and this notice contains the agenda of items to be considered at today's meeting. The Agenda items will be formally considered after both myself and the CEO have addressed the meeting with our observations of the financial year just ended relative to the company.

Chair's Address

Again, thank you for taking the time to join us today.

Outlook

At CountPlus, our vision is to become Australia's leading network of professional accounting and financial advice firms. Some of the achievements of the 2018 financial year are positioning the Company on a more solid financial base, improving financial performance, re-establishing a growth strategy and enhancing the value to our accounting and advice firms through improved operational processes.

The turnaround of the Company's performance has involved a detailed and unflinching review of our operations. CountPlus is now well-positioned to take advantage of growth opportunities in our key sectors of accounting and financial advice.

We have equipped CountPlus for sustainable growth by focusing on our core business and imposing financial discipline, strict cost controls and a stronger balance sheet.

Our market

As we look ahead, we are confident that demand for quality financial advice and professional accounting services remains solid. Trends in the Australian population, the growth in superannuation investment, and the popularity of self-managed super funds creates an unmet need for quality accounting and financial advice.

In the context of these market circumstances, there have been major revelations arise from the Royal Commission into the Banking, Superannuation and Financial Services Industry. CountPlus and its firms are well positioned, and we believe, stand out as a source of trusted advice. Small businesses will look with increasing scrutiny for advisers with solid corporate governance and ethical frameworks to guide their businesses.

We aim to increase CountPlus's share of this growing market by partnering with suitable firms and expanding our footprint across Australia.

Financial strength

At CountPlus, we have bolstered the Company's financial strength through the changes we made in the 2017 and 2018 financial years. These improvements have moved the Company closer to achieving sustained earnings and profitability.

CountPlus has significantly reduced debt through prudent management. The Company ended the year with a net cash position of \$9 million. This is a significant improvement on the interest-bearing debt of \$25.5 million that it held at 31 December 2016.

The Board is also pleased to have resumed paying dividends to our shareholders and declared a 1 cent dividend (fully franked) for the 2018 financial year.

Owner Driver – Partner

In relation to member firms, CountPlus has implemented a business alignment model. Under this model, the Company is a partner with the firms in the CountPlus network, not an owner of the firm. This approach is an important distinction.

It is called the Owner Driver – Partner model, where participating principals own and drive their firms, while CountPlus acts as their strategic investment partner.

With this approach, principals are free to exercise their entrepreneurial abilities and adapt their offering to meet the needs of their particular communities and clients. At the same time, member firms benefit from being part of a national group that is focused on growth, sustainable earnings and brings a strong balance sheet.

Moving to growth

The Company is also concentrating on opportunities to grow business earnings and to expand the Group by strategic investment in new member firms.

To help us assess these opportunities, CountPlus appointed corporate adviser Genesis Advisory to support the Board in merger and acquisition (M&A) activities.

During the 2018 financial year, CountPlus sold or merged underperforming businesses. We will continue to monitor all our member firms against robust financial metrics to ensure they contribute to the Company's sustained growth and profitability.

To assess whether a firm is a good match for the Group, CountPlus asks whether it fits what we call the "CountPlus family photograph". This is a set of attributes that we use to analyse values and sustainability.

We believe this approach underpins our ethical value proposition and enhances our competitive position in the market.

CBA to demerge Count Financial

The Commonwealth Bank of Australia plans to demerge its wealth management and mortgage broking business units. One of the units affected is CBA's Count Financial, which holds 35.85% of CountPlus.

The CBA announced to the ASX that it intends to include this shareholding in its new entity that will be set up through the demerger. CountPlus will closely monitor all developments relating to the new CBA entity and watch for potential impacts on the Company and any opportunities it might give rise to.

In doing so, we will keep the Company's eyes fixed firmly on the interests of shareholders, member firms, clients, and the people who make up the CountPlus community.

Fresh management

On behalf of the Board, our strategic plan for sustainable growth stems from our vision to become Australia's leading network of professional accounting and financial advice firms, aligned through shared values, mutual success and our sense of community.

The founder of CountPlus and former Chairman, Mr Barry Lambert, retired from the Board on 30 September 2017.

Longstanding Independent Non-Executive Director and Chair of the Audit and Risk Committee, Mr Graeme Fowler, also retired from the Board on this date.

Mr Andrew McGill was appointed in December 2017 to help steer M&A activity. Mr McGill was also appointed Chair of the Acquisitions Committee, due to his background in capital markets and M&A.

A refreshed Board, a new management team, a clear strategy and a disciplined approach to executing this strategy are the foundations of positive change and our future success.

Our member firms generate a reliable cash flow and we expect this will continue while we focus on funding growth strategies, strengthening our financial position and rewarding our shareholders.

Thank you for being a CountPlus shareholder and I will now hand to Matthew.

Annual Report

During this item of business, we will provide a reasonable opportunity for shareholders to receive and consider the annual financial report of the company and its controlled entities and the reports of the directors and of the auditors for the year ended 30 June 2018.

The Annual Report was mailed to members on 17 October 2018.

The financial report and the reports of the directors and the auditors are now laid before the meeting.

Are there any questions or comments on the financial report or the reports of the directors and auditors?

The annual financial report does not need to be formally adopted by the meeting. Our audited results have been fully recorded in our 2018 Annual Report.

Resolutions

The meeting now needs to consider the re-election and election of directors in accordance with the Corporations Act and the constitution.

1. Re-Election of Director

In accordance with the Company's constitution, Alison Ledger retires from office at the close of this meeting and offers herself for re-election.

Would someone care to move the following motion?

"That Alison Ledger (who, retires by rotation in accordance with the Company's constitution and, being eligible, offers herself for re-election), be re-elected as a Director of the Company."

Mover

Seconded

Any discussion?

For the record, I advise that the final count of proxies taking into account the Voting Exclusion Statement was:

Vote Type	Voted
For	64,552,228
Against	626,349
Open Usable	635,248

I now put the motion.

All those in favour please raise your hand.

All those against please raise your hand.

I declare the resolution carried/lost.

I would like to congratulate Ms Ledger on her re-appointment.

2. Election of Director

As referred to in the Annual Report and in my address, Andrew McGill was appointed a director by the board during the year and must stand for election at this, the first AGM following his appointment.

Would someone care to move the following motion?

“That Andrew McGill (who, having been appointed as a Director since the last Annual General Meeting, retires in accordance with the Company’s constitution and, being eligible, offers himself for election), be elected as a Director of the Company.”

Mover

Seconder

Any discussion?

For the record, I advise that the final count of proxies taking into account the Voting Exclusion Statement was:

Vote Type	Voted
For	64,496,770
Against	583,057
Open Usable	635,248

I now put the motion.

All those in favour please raise your hand.

All those against please raise your hand.

I declare the resolution carried/lost.

I would like to congratulate Mr McGill on his appointment.

3. Adoption of Remuneration Report

Under the Corporations Act, listed companies are required to include in their directors’ report a remuneration report which includes specified information. That report is set out on pages 25-32 in the Annual Report.

The Act also requires companies to put to shareholders a non-binding (or advisory) vote to enable shareholders to voice their opinion on matters included in the report. After the motion has been moved and seconded there will be a time before comments and questions

Resolution 3 – to consider and, if thought fit, to pass the following resolution, as an ordinary resolution:

“To adopt the Remuneration Report for the financial year ended 30 June 2018 as set out in the Company’s 2018 Annual Report”.

I now move that the remuneration report be adopted.

Would someone care to second this motion?

Seconder

For the record, I advise that the final count of proxies taking into account the Voting Exclusion Statement was:

Vote Type	Voted
For	61,574,416
Against	1,093,901
Open Usable	630,248

I will now put the motion to the Vote.

All those in favour please raise your hand. All those against please raise your hand.

I declare the resolution carried/lost.

(**Note:** A dissenting vote of 25 per cent or more defeats the resolution.

A poll will clarify any uncertainty).

4A. Grant of Performance Rights to the Managing Director and CEO (Mr Matthew Rowe)

For the purposes of ASX Listing Rule 10.14 and the Corporations Act there needs to be shareholder consideration and approval of the CEO's Long Term Incentive performance rights

Resolution 4A – to consider and, if thought fit, to pass the following ordinary resolution:

“That for the purpose of ASX Listing Rule 10.14 and all other purposes, the grant of up to 150,000 Performance Rights (‘Performance Rights’) under the CountPlus Employee Incentive Plan (‘Plan’) to the Managing Director and CEO, Matthew Rowe, in accordance with the terms of the 2018 LTI Award as described in the Explanatory Notes accompanying this Notice of Meeting be approved.”

Are there any questions in relation to this resolution?

I now move that the Performance Rights for the Managing Director and CEO, Matthew Rowe, be adopted.

Would someone care to second this motion?

Seconded

For the record, I advise that the final count of proxies taking into account the Voting Exclusion Statement was:

Vote Type	Voted
For	61,401,863
Against	1,535,577
Open Usable	630,248

I will now put the motion to the Vote.

All those in favour please raise your hand. All those against please raise your hand.

I declare the resolution carried/lost.

4B. Pro-rata vesting of Performance Rights to the Managing Director and CEO (Mr Matthew Rowe)

Resolution 4B – to consider and, if thought fit, to pass the following ordinary resolution:

“That for the purpose of the Corporations Act and all other purposes, the pro-rata vesting of the Performance Rights under the Plan in the event of cessation of Mr Rowe's employment as described in the Explanatory Notes accompanying this Notice of Meeting be approved.”

Are there any questions in relation to this resolution?

I now move that the pro-rata vesting of the Performance Rights for the Managing Director and CEO, Matthew Rowe, be adopted.

Would someone care to second this motion?

Seconded

For the record, I advise that the final count of proxies taking into account the Voting Exclusion Statement was:

Vote Type	Voted
For	61,058,466
Against	1,556,812
Open Usable	630,248

I will now put the motion to the Vote.

All those in favour please raise your hand. All those against please raise your hand.

I declare the resolution carried/lost.

Other Business

Is there any other business that can lawfully be brought forward?

Destruction of voting forms and proxies

I move that at the expiration of 30 days following the signing of minutes of today's meeting that the proxy forms received be destroyed.

Would someone call to second this motion?

Seconder

Any discussion needed?

I now put the motion.

All those in favour please raise your hand.

I declare the resolution carried/lost.

Closure

I thank members for their attendance.

As that concludes the business of the meeting, I declare the meeting closed.

I would remind members that refreshments are now available in the foyer.



Ray Kellerman