

# Scheme Meeting - Chairman's Address

In accordance with ASX Listing Rule 3.13.3, attached to this announcement is a copy of the address to be given by the Chairman of MYOB Group Limited (MYOB or Company), Mr Justin Milne, to the attendees of the Scheme Meeting to be held today at MYOB Offices, Level 8, 45 Clarence Street, Sydney 2000, commencing at 3.00pm (AEST).

Capitalised terms used but not defined in the attached document have the meaning given to them in the Scheme Booklet.

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### **About MYOB**

MYOB Group Ltd (ASX: MYO) is a leading provider of online business management solutions. It makes business life easier for approximately 1.2 million businesses and accountants across Australia and New Zealand by simplifying accounting, payroll, tax, practice management, CRM, job costing, inventory and more. MYOB operates across three core segments – Clients and Partners (business solutions to SMEs and Advisers); Enterprise Solutions (larger businesses) and Payment Solutions. It provides ongoing support through client service channels including a network of over 40,000 accountants, bookkeepers and other consultants. It is committed to ongoing innovation, particularly through its Connected Practice Strategy and through the development of the MYOB Platform. MYOB has been awarded the Top 8th innovative company in Australia and New Zealand by the Australian Financial Review's 2018 Top 100 Innovative Companies. For more information, visit <a href="https://investors.myob.com.au/Investors/">https://investors.myob.com.au/Investors/</a> or follow <a href="mailto:@MYOB">@MYOB</a> on Twitter.



### WELCOME

Good afternoon ladies and gentlemen.

My name is Justin Milne, Chairman of MYOB Group Limited. Welcome, and thank you for joining me for the Scheme Meeting relating to the MYOB scheme of arrangement.

Please ensure that you have each properly confirmed your attendance at this meeting by completing the registration process being undertaken by Link Market Services represented today by Ms Julie Stokes, who I have appointed as the returning officer for the Scheme Meeting

## **QUORUM**

As it is now past the appointed time of 3.00pm and I am advised that a quorum is present, I formally declare this Scheme Meeting open.

## **DIRECTORS & COMPANY SECRETARY**

I would like to introduce the following fellow Directors and Company Secretary who are present:

- Tim Reed, Executive Director and Chief Executive Officer
- Andrew Stevens, Independent Non-Executive Director
- Peter Hamblin, Company Secretary

Also present today are a number of MYOB's financial and legal advisers.

The remaining members of the Board (Anne Ward, Fiona Pak-Poy, Ed Han and Craig Boyce) send their apologies.

## **NOTICE OF MEETING**

Notice of today's Scheme Meeting is included as Annexure E of the Scheme Booklet, which was despatched to MYOB shareholders on or before 19 March 2019. The notice has been given in accordance with the orders made by the Federal Court of Australia on 13 March 2019.

I will take the Notice of the Meeting as being read.

## **SCHEME OVERVIEW**

On 23 December 2018 MYOB entered into a Scheme Implementation Agreement with, amongst others, ETA Australia Holdings III Pty Ltd ("KKR BidCo"). Under the Scheme Implementation Agreement, it is proposed that KKR BidCo will acquire all MYOB Shares that it and its Associates do not already own by way of a scheme of arrangement.

Hereafter, I will refer to this proposed scheme of arrangement as the Scheme. I will also refer to MYOB Shareholders which includes the holders of ordinary shares in MYOB other than shares held by KKR BidCo and its Associates.

If the Scheme is implemented, MYOB Shareholders will receive \$3.40 cash per MYOB Share on the Implementation Date for the Scheme. This is currently proposed to be Wednesday, 8 May 2019.

Full details of the proposed Scheme are set out in the Scheme Booklet which was despatched to MYOB Shareholders on or before 19 March 2019 and the Supplementary Disclosure, which was despatched to MYOB Shareholders on or before 5 April 2019. You will have an opportunity to ask questions prior to voting on the proposed resolution to approve the Scheme.



## **Purpose of Scheme Meeting**

Today, MYOB Shareholders will be asked to consider and vote on a resolution in relation to the Scheme which requires their approval for it to proceed. Firstly, I will provide an overview of the Directors' recommendation and the Independent Expert's conclusion in respect of the Scheme.

I will then present the Scheme Resolution to be considered and there will be time for questions and discussion.

#### SCHEME BOOKLET AND DIRECTORS' RECOMMENDATION

MYOB Shareholders will have previously received a Scheme Booklet dated 13 March 2019 together with a personalised Proxy Form. The Scheme Booklet, which will be taken as read, includes:

- a notice convening today's meeting;
- an overview of the Scheme;
- the key considerations relevant to each MYOB Shareholder's vote;
- · frequently asked questions; and
- information about KKR BidCo.

MYOB appointed Grant Samuel & Associates Pty Limited as the Independent Expert to assess the merits of the Scheme. A copy of the Independent Expert's Report is also included in the Scheme Booklet at Annexure A.

The MYOB Directors unanimously recommend that MYOB Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of MYOB Shareholders. I also note that, subject to those same qualifications, the MYOB Directors intend to vote all of the MYOB Shares held or controlled by them in favour of the Scheme.

The Independent Expert has concluded that, the Scheme is fair and reasonable and in the best interests of MYOB Shareholders. The basis for this conclusion is that the Scheme Consideration of \$3.40 per MYOB Share is within the valuation range (as concluded by the Independent expert) of \$3.19 to \$3.69 per MYOB Share.

As we stand here today, no Superior Proposal has emerged and the Independent Expert continues to maintain its conclusion that the Scheme is in the best interests of MYOB Shareholders.

## STATUS OF CONDITIONS PRECEDENT

The Scheme Implementation Agreement contains a number of Conditions Precedent, which are outlined in Section 4.5 of the Scheme Booklet. The key conditions which remain outstanding are:

- approval of the Scheme by MYOB Shareholders, which is why we are holding this meeting today; and
- approval of the Scheme by the Federal Court of Australia (due to take place after 1.45pm (AEST) on Wednesday 24 April 2019).

Nothing has occurred to date which would prevent those conditions from being satisfied.

## REQUISITE MAJORITIES FOR SCHEME TO BE APPROVED

The Scheme is conditional on MYOB Shareholder approval. The Scheme Resolution needs to be approved by the requisite majorities of MYOB Shareholders, which are:



• a majority in number (more than 50%) of the MYOB Shareholders present and voting (either in person, by proxy, attorney or corporate representative) at this Scheme Meeting;

and

• at least 75% of the votes cast on the Scheme Resolution (either in person, by proxy, attorney or corporate representative).

#### **IMPLEMENTATION OF THE SCHEME**

If the Scheme Resolution is passed by the MYOB Shareholders in the Requisite Majorities, the Second Court Hearing will be held at 1.45pm (AEST) on Wednesday, 24 April 2019. If the Court approves the Scheme, a copy of the Court order approving the Scheme will be lodged with ASIC and the Scheme will become Effective. On the Implementation Date, which is currently expected to be Wednesday, 8 May 2019, the MYOB Shares will be transferred to KKR BidCo and the Scheme Shareholders will receive their Scheme Consideration, as set out in the Scheme Booklet.

## PROCESS FOR SPEAKING AND VOTING AT TODAY'S MEETING

I will now briefly outline how today's meeting will be conducted.

Please note that this is a meeting of MYOB Shareholders, and that only MYOB Shareholders, their proxies, attorneys and corporate representatives are entitled to speak at this meeting.

In accordance with MYOB's constitution, the *Corporations Act 2001 (Cth)* and as outlined in the Notice of Scheme Meeting, I declare that the Scheme Resolution to be voted on by MYOB Shareholders at today's Scheme Meeting will be the subject of a poll, which will be conducted by MYOB's Share Registry, Link Market Services. The procedure I will now follow is to outline the content of the Scheme Resolution and allow for appropriate discussion, and then, once all discussion is complete, I will call for the poll on the Scheme Resolution.

When you registered earlier you will have received an admission card – this card will be either yellow, blue or red. A yellow card is for MYOB Shareholders entitled to speak and vote. A blue card is for MYOB Shareholders entitled to speak but not vote. A red card is for visitors who are not entitled to either speak or vote at this meeting.

As a courtesy, all questions should be addressed to the Chairman. Please raise your yellow or blue admission card and wait until I invite you to speak. I also ask that you introduce yourself before you ask your question. I will allow each speaker a reasonable opportunity to be heard however I reserve the right to rule out of order any questions I consider to be repetitive or outside of the scope of the meeting

## **SCHEME RESOLUTION**

The purpose of this Scheme Meeting is to consider, and if thought fit, to approve the Scheme proposed between KKR BidCo and MYOB Shareholders set out in the Scheme Booklet.

The Scheme Resolution is shown on the screen in front of you, and I will take a moment to read it out aloud in full:

"That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between MYOB Group Limited and



the holders of ordinary shares in MYOB Group Limited other than shares held by ETA Australia Holdings III Pty Limited (ACN 630 727 552) or its Associates (having the meaning given in section 12 of the Corporations Act 2001 (Cth)), as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is approved, with or without alterations or conditions as approved by the Federal Court of Australia, and, subject to approval of the scheme of arrangement by the Federal Court of Australia, the board of directors of MYOB Group Limited is authorised to implement the scheme of arrangement subject to any such alterations or conditions."

The Notice of Scheme Meeting was sent to all MYOB Shareholders and will be taken as read.

The Scheme Resolution is now open for discussion. Are there any questions or matters which relate to the Scheme Resolution which anyone would like to raise?

[Chairman to answer any questions raised]

Discussion on the Scheme Resolution is now complete. Ladies and gentlemen, that being the end of the discussion, I would like to thank you for your participation.

#### **PROXY RESULTS**

Proxy results received for the Scheme Resolution are set out on the screen in front of you. I intend to vote all available undirected proxies in favour of the Scheme Resolution.

	Votes received	% of votes received (excluding abstentions)	Number of shareholders	% of shareholders (excluding abstentions)
For	301,374,578	81.93%	392	64.79%
Open/Undirected	2,411,024	0.66%	55	9.09%
(Chairman)				
Open/Undirected	13,857	0.00%	5	0.83%
(Other)				
Against	64,051,582	17.41%	153	25.29%
Abstain	207,709	N/A	7	N/A

Votes relating to a MYOB Shareholder who abstains from voting are not counted in determining whether the requisite majorities of votes were cast for or against the Scheme Resolution.

### **POLL INSTRUCTIONS**

I now declare the poll open on the Scheme Resolution and ask you to vote on your voting card.

As set out in further detail in the Notice of Scheme Meeting, people entitled to vote on this poll are MYOB Shareholders, proxyholders, attorneys and corporate representatives of MYOB Shareholders. If you are eligible to vote, you will have been issued a yellow voting card when registering for this meeting.

If there is anyone present who believes they are entitled to vote please see the registration desk and Link Market Services will assist you.

Your yellow voting card details the resolution that is being put to this poll.



Please mark a box beside the resolution to indicate how you wish to cast the open votes (for, against or abstain).

If you are a proxy holder, attorney or corporate representative, and your appointer has directed how you should vote on any item, you must follow that direction.

If you are a proxyholder with open votes, you need to mark a box beside the resolution to indicate how you wish to cast the open votes (for, against or abstain).

Please raise your yellow voting card once completed for collection. Your vote cannot be counted unless it is lodged – this includes any proxyholder who only has directed votes.

If you require any assistance, staff from MYOB's Share Registry, Link Market Services are here to assist you. Please raise your hand if you require assistance.

## [PAUSE]

Would you please indicate by raising your hand if you require more time to complete your voting card?

I would now ask Link Market Services to complete the collection of all voting cards.

Link Market Services have now collected all voting cards and I therefore declare the poll closed.

The results of the poll will be announced to the ASX as soon as practicably possible and will be available on the MYOB website.

## **MEETING CLOSE**

Ladies and gentlemen, I thank you for your attendance at today's meeting. There being no other business to be discussed at this meeting, I now declare the Scheme Meeting closed.