



## **ASX Announcement**

**29 November 2017**

### **2017 Annual General Meeting**

Please see the attached address to be delivered by the Chairman to shareholders at today's Annual General Meeting.

A handwritten signature in black ink, appearing to read 'Lynne Jensen', with a large, stylized loop at the end.

**Lynne Jensen**  
Company Secretary

**SEEK LIMITED**  
**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**Wednesday 29 November 2017, 3.00 pm**

**CHAIRMAN'S ADDRESS**

Fellow shareholders, it is my pleasure to address you today and provide some of the highlights of the past year.

**FY2017 Results Overview**

The 2017 financial year was another successful year for SEEK as the business made strong progress against both its strategic and financial objectives.

Strategic highlights included executing on key transactions, reinvestment driving strong operational metrics, and improvement in market share in our key markets.

In terms of financial objectives, our long term focus led to SEEK achieving the \$1 billion revenue mark for the first time in its 20 year history. This is a big milestone given approximately 60% of our revenue is now from international operations.

SEEK delivered record financial results in 2017. In constant currency and excluding significant items, sales revenue grew 14% and EBITDA grew 5% over the prior year. Total dividends grew 10% over the previous year.

These were good results in a year of aggressive reinvestment across all of our businesses.

Our Australian and New Zealand business is most advanced in its growth evolution and a sustained period of reinvestment is now delivering impressive operational and financial returns.

The success in ANZ has reaffirmed that reinvestment is the right strategy for our International businesses which offer much larger revenue opportunities than the ANZ business.

SEEK is evolving and investing to capture exciting growth opportunities. Andrew will discuss these further in his presentation.

A key highlight in 2017 has been progress with two significant transactions, namely Online Education Services and Zhaopin.

In March 2017, we increased our ownership in OES from 50% to 80%. This transaction enables greater flexibility to secure additional education partners onto the OES platform, the first of these being the University of Western Sydney which has a strong brand in New South Wales, Australia's largest market and where OES is underpenetrated.

In October 2017 we completed the privatisation of Zhaopin and partnered with leading private equity firms Hillhouse Capital Management and FountainVest Partners. These partners have a strong track record in working with technology businesses and will bring new strategic and operational capabilities to further accelerate growth in Zhaopin.

I am very confident that both our reinvestment program and M&A activities will allow us to deliver on our purpose and generate strong returns for shareholders over the medium to long term.

## **The Community & Our People**

SEEK has a long history of contributing positively to the wider community.

Our strong commitment in this area is in keeping with our purpose of “Helping people live more fulfilling and productive working lives and helping organisations succeed”.

Some examples of these community initiatives in Australia and New Zealand are as follows:

- **SEEK Volunteer** is the leading volunteer marketplace in Australia and has been in operation for over 17 years.

SEEK Volunteer has also been operating in New Zealand for the past two years and is now the largest volunteering organisation in that country.

SEEK Volunteer supports over 8,000 organisations and helps more than 135,000 potential volunteers connect with those organisations each year.

- Through the **Small change workplace giving program** employees donate to various charities and SEEK matches every donation dollar for dollar.

Our employees have been ranked as among the most generous in Australia based on contributions to workplace giving. In 2017, donations to SEEK’s partner charities were up 30% on the previous year which is a great achievement.

- **In Partnership with Melbourne Business School** we released a research study on ‘Mental Health in the Workplace’ with the aim of helping Australian organisations better support employees with mental health concerns.
- **In Partnership with Vision Australia** we offered visually impaired individuals workplace experience on an internship basis.

Our commitment to helping the community also extends across our International businesses.

In particular, areas of diversity and inclusion have been a focus.

Initiatives include the launch of a disability employment platform in Brazil helping candidates with disabilities to secure employment.

SEEK has also implemented a number of initiatives to drive a culture of inclusiveness and diversity within the business.

Over the last 12 months we have had a strong focus on gender equality, in particular, increasing female representation in senior management and technical roles over the medium term.

Key programs of work include:

- **The Females At SEEK Thrive, or 'FAST', program** which aims to remove career development barriers by understanding and removing unconscious bias and ultimately increasing female participation in senior roles; and

- **Long term investment in school level digital talent** through the hosting of 'Camp SEEK', a week long program for teenage girls, covering different aspects of the digital industry to encourage greater consideration of a career in the fields of science, technology, engineering and mathematics.

In terms of the Environment, SEEK's operational model is office based and online. Accordingly, its environmental footprint is small.

Nevertheless, we have a strong commitment to minimising our environmental impact through a range of sustainability programs which are supported by the Board.

These programs are holistic and encompass things such as, who we procure from and how we minimise energy and waste in our day to day practices.

## **The Board**

In relation to Board composition and renewal, in March 2017 we were pleased to welcome Vanessa Wallace to the Board as a non-executive director.

Vanessa's appointment increased the size of the Board to seven directors and Vanessa is standing for election today.

Vanessa's extensive experience in corporate strategy development across a number of industries will be extremely valuable to SEEK as we pursue our long term growth strategy.

Board succession planning is well developed and continues to be an important Board agenda item at SEEK.

As advised to shareholders at last year's AGM, the implementation of the Board succession and renewal plan will see both Colin Carter and myself retire over the next year. Accordingly, this will be Colin's last AGM as he will retire in the early part of 2018.

On behalf of the Board, management, and all shareholders, I would like to pay tribute to Colin for the outstanding contribution he has made to the company since joining the Board at the time of the IPO in March 2005. Colin has significantly enhanced the strategic thinking around the Board table as well as leading the development of our innovative remuneration framework. Thank you Colin from all of us.

In my own case, while I am standing for re-election today, subject to being re-elected, I plan to retire as Chairman at the end of calendar year 2018 to facilitate a smooth transition to a new Chairman.

In the meantime, the Board is continuing to execute an orderly renewal plan and is well advanced in conducting a search for a new non-executive director who is expected to be appointed over the next few months.

## **Remuneration**

As Chairman, I am immensely proud that we have developed a remuneration strategy and structure that the Board truly believes is the right fit for SEEK. Setting the right remuneration framework that aligns to long-term strategy, and also serves to attract and retain key talent, and drive creation of shareholder value, is one of the most important

tasks for a Board.

I don't want to pre-empt the decision on item 2 in relation to our Remuneration Report, however, I would like to thank shareholders who have lodged proxies for their overwhelming support to date in favour of that resolution, which indicates strong support for our remuneration structure.

However, I would like to make some comments in relation to Andrew's remuneration. As in previous years, we are disappointed by proxy advisor recommendations in relation to Andrew's LTI grant.

By any measure, Andrew's overall remuneration is reasonable, relative to the market. He is paid reasonably, and definitely not excessively, in comparison to Australian CEOs running businesses of a similar size and complexity.

Andrew's remuneration is positioned mid-range compared to Australian peers, despite the fact that his performance and the SEEK business has significantly outperformed the market over the long term. In addition, under Andrew's stewardship SEEK has evolved to become a truly successful international company; and relative to global organisations within the industry, Andrew's remuneration is positioned at the low end when compared with other global CEOs.

We should also not forget to assess Andrew's remuneration relative to his strong 20 year track record. The key data point for shareholders on Andrew's track record is SEEK's post IPO returns of circa 905% versus ASX200 returns of 144%.

If the recommendations and votes against the LTI grant resolution are an indirect protest vote against our remuneration structure, I want to be clear on a few facts:

- Firstly, since the Board implemented this new structure in 2012, SEEK's total shareholder returns have been 199.8% compared with shareholder returns of 74.8% for the ASX200.
- Secondly, our remuneration structure, including the fact that 50% of total remuneration is payable in equity, has created the right setting for management to align with the long-term interests of shareholders, and our results reflect this.
- Thirdly, the hurdle set as an excess return over the benchmark index is challenging. This is evidenced by two things:
  - The LTI hurdle has typically been in the range of 4 to 5% plus dividends giving a compound annual total return of 7 to 8%. In a low growth world, we think this hurdle is very challenging and sets an appropriate level of wealth sharing between the Executive and our shareholders; and
  - The FY2015 LTI offer lapsed in the performance period ended 30 June 2017 as, despite the company's continued strong performance, the hurdle was not achieved.

I would like to acknowledge we have also received some very helpful feedback and support from our long-term shareholders. Like we have done in previous years, we will take this feedback on board and continue to engage with proxy advisers and

shareholders.

## **Thanks**

I would like to thank Andrew, my fellow board members and the entire SEEK team for their hard work and dedication, which is reflected in our strong financial performance and the business accomplishments over the last year.

I would also like to thank you, our shareholders, for your continued support and loyalty.

Before I ask Andrew to address the meeting, I'd like to publicly acknowledge the 20-year milestone recently achieved by the company and in particular, Andrew's enduring leadership and incredible contribution to the company's success over that time.

Please join me in thanking Andrew.