

ASX Announcement

Date of Release: Thursday 15 June 2017

Proposed Option Offer under New Executive Share Option Plan

Managed Accounts Holdings Limited (**MGP or Company**) advises that the board of the Company (**Board**) has approved the adoption of a new Executive Share Option Plan (**Plan**). Offers under the new Plan will be made only to persons who are 'senior managers' within the meaning of the Corporations Act 2001 (Cth).

A summary of the Plan rules is attached.

The Board has approved the offer to the Company's new Head of Distribution and Marketing (Tony Nejasmic) of 3,000,000 options under the Plan on the following terms subject to the Plan rules:

- a) each Option gives the right to subscribe for or acquire one ordinary share in the Company (**Option**);
- b) nil consideration is payable for the Option grant;
- c) exercise price is \$0.35 per Option;
- d) Options vest in 3 separate tranches on 31 July 2018, 31 July 2019 and 31 July 2020 but subject to the satisfaction of specific exercise conditions associated with the Company's performance and the performance of the employee; and
- e) exercise period ends 4 years after the date of grant of the Options.

The purpose of the proposed offer of Options under the Plan is to enable the Company and its subsidiaries to attract and retain skilled employees.

The Company will not seek shareholder approval in relation to the proposed grant of Options.

For further information please contact:

David Heather
Chief Executive Officer
Managed Accounts Holdings Limited
Mobile: 0418 439 570

Don Sharp
Executive Chairman
Managed Accounts Holdings Limited
Mobile: 0419 632 315

New Executive Share Option Plan Summary

The Managed Accounts Holdings Limited (**Company**) Executive Share Option Plan (**Plan**) is governed by the Plan rules (**Plan Rules**). Set out below is a summary of the Plan Rules, as at the date of this announcement.

It is intended that the Plan will enable the MGP group (**Group**) to retain and attract skilled and experienced employees, contractors and officers and provide them with the motivation to make the Group more successful.

Offers under the Plan will be made only to persons who are 'senior managers' within the meaning of the Corporations Act 2001 (Cth) (**Corporations Act**). As such, offers will not be made under the Plan in reliance on ASIC Class Order [CO 14/1000] and are not subject to or included within the 5% limit set out in that Class Order.

Under the Plan, an option (**Option**) is a right to subscribe for or acquire a fully paid ordinary share in the capital of the Company (**Share**), subject to any adjustment required under the Plan Rules.

The board of the Company (**Board**) at its sole discretion may invite any eligible person selected by it to complete an application relating to a specified number of Options allocated to that eligible person by the Board. The Board may offer Options to any eligible person it determines and determine the extent of that person's participation in the Plan (**Participant**). An offer by the Board shall specify the date of grant, the total number of Options granted, exercise price and exercise period for the Options and any other matters the Board determines, including exercise conditions attaching to the Options.

Unless otherwise determined by the Board, no payment is required for the grant of Options under the Plan.

Options granted under the Plan are not capable of being transferred or encumbered by a Participant, unless the Board determines otherwise.

Options do not carry any voting or dividend rights. Shares issued or transferred to Participants on exercise of an Option carry the same rights and entitlements as other issued Shares, including dividend and voting rights.

The Company has no obligation to apply for quotation of the Options on the ASX.

In general terms, Options granted under the Plan may only be exercised if the exercise conditions have been met, the exercise price has been paid to the Company and the Options are exercised within the exercise period relating to the Option. An Option granted under the Plan may not be exercised once it has lapsed.

An Option may be exercised, whether or not any or all applicable exercise conditions have been met, on the occurrence of a predominant control event, being, in general terms, where a person owns at least 90% of the issued ordinary share capital of the Company following an offer by the person for the whole of the issued share capital of the Company.

The Company will apply to ASX for official quotation of Shares issued upon exercise of Options granted under the Plan so long as the Shares are quoted on the official list of ASX at that time.

The Company may financially assist a person to pay any exercise price for an Option, subject to compliance with the provisions of the Corporations Act and the ASX Listing Rules relating to financial assistance.

If a Participant ceases to be a director, an employee or a contractor of any member of the Group due to his or her resignation, dismissal for cause or poor performance or in any other circumstances determined by the Board:

- (i) all Options held by the relevant Participant as at the date of cessation which are vested Options will automatically lapse on the date of cessation, unless the Board determines otherwise, in which event the Board will determine the period within which those Options may be exercised following the date of cessation (and the exercise period is amended accordingly), after which those Options will immediately lapse; and
- (ii) all other Options granted to that Participant will lapse as at the date of cessation, unless the Board determines otherwise.

If a Participant ceases to be a director, an employee or a contractor of any member of the Group for any other reason or in any other circumstances determined by the Board:

- (i) all Options held by the relevant Participant as at the date of cessation which are vested Options may be exercised by that Participant in the 6 month period following the date of cessation (and the exercise period is amended accordingly), after which those vested Options will immediately lapse; and
- (ii) all other Options granted to that Participant will lapse as at the date of cessation, unless the Board determines otherwise.

On liquidation of the Company, all Options which are not vested Options will automatically lapse.

If, in the opinion of the Board, a Participant has acted fraudulently or dishonestly, the Board may determine that any Option granted to that Participant should lapse, and the Option will lapse accordingly.

If an Option has not lapsed earlier, it will lapse at the end of the exercise period.

In the event of any reconstruction of the share capital of the Company, the number of Options to which each Participant is entitled and/or the exercise price of those Options must be reconstructed in accordance with the ASX Listing Rules. Options must be reconstructed in a manner which will not result in any additional benefits being conferred on Participants which are not conferred on other shareholders of the Company.

Holders of Options issued under the Plan may only participate in new issues of securities by the Company if they have first exercised their Options within the relevant exercise period and become a shareholder of the Company prior to the relevant record date and are then only entitled to participate in relation to Shares of which they are the registered holder.

If there is a pro rata issue (except a bonus issue), the exercise price of an Option will be reduced according to the formula in the Plan Rules which reflects the formula in ASX Listing Rule 6.22.2.

If there is a bonus issue the number of Shares over which an Option can be exercised will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the bonus issue.

Options may not be granted and/or Shares may not be allotted and issued, acquired, transferred or otherwise dealt with under the Plan if to do so would contravene the Corporations Act or any other applicable laws or regulations.

The Plan Rules also contain customary and usual terms having regard to Australian law for dealing with administration, variation and termination of the Plan.