

February 23, 2018

McGrath Limited Announces Appointment of CEO – Geoff Lucas

McGrath Limited today announced the appointment of new Chief Executive Officer, Mr Geoff Lucas, following the formation of a new board and a rigorous selection process for the role.

Executive Director of McGrath, Mr John McGrath, said “I am delighted to welcome Geoff back to the company, as he was instrumental in building McGrath over eight years to 2016 to now have 95 offices and an industry-leading team.

“Geoff has an intimate knowledge of property and the McGrath business, as well as a strong rapport with our agents, franchise partners and many industry participants. He also has a track record of helping us build our earnings when he was Chief Operating Officer.

“Geoff, myself and the new leadership team will work in harmony and closely to stabilise and return the company to growth in an effort to restore shareholder value”, added Mr McGrath.

Mr Lucas said “I am excited to be re-joining industry leader McGrath and working closely with John and the 2,000 member team across Australia in delivering exceptional customer service and results. The McGrath team has the highest concentration of real estate talent in Australia and I’m excited to again lead a harmonised team to turn McGrath around after a challenging period for the company and the industry.”

Chief Executive Officer - Geoff Lucas

Geoff was Chief Operating Officer of McGrath for eight years from 2008-2016, working alongside John McGrath in driving the company's growth across the Eastern Seaboard, as well as its transition from private company to listing. His most recent position was Chief Operating Officer of Sonoma Bakery Group.

About McGrath:

McGrath (ASX:MEA) has grown to be an integrated real estate services business, offering agency sales, property management, mortgage broking and career training services. McGrath Estate Agents currently has 95 offices located throughout the East Coast of Australia.

For Further Information:

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Summary of material terms of employment agreement

Commencement

Mr Lucas will commence employment in the position of Chief Executive Officer on 27th of February 2018.

Remuneration details

Total fixed remuneration:

Mr Lucas is entitled to a total fixed annual base salary of \$500,000 (inclusive of statutory superannuation).

Short term incentive:

Mr Lucas is eligible to participate in McGrath's short term incentive plan, up to 50% of base salary per annum, subject to the satisfaction of key performance indicators.

Long term incentive:

Mr Lucas will be eligible for securities valued at up to 50% of base salary per annum pursuant to a new McGrath Equity Incentive Plan being developed by the Company, which is likely to include vesting over a three year period and financial targets, subject to Mr Lucas' continuing employment with McGrath during the period.

Notice period

After an initial period (in which the McGrath Equity Incentive Plan will be implemented) Mr Lucas may terminate his employment contract by giving 6 months' notice. McGrath may terminate the employment contract by giving 6 months' notice.

Termination conditions

Termination for Notice, as above.

Termination for cause, with immediate effect.

Restrictive covenants

After the initial period referred to above, upon the termination of Mr Lucas' employment contract, he will be subject to certain restrictive covenants including a restraint of trade period of 18 months preventing him from competing with McGrath and from (among other things) soliciting clients, agents, employees, contractors or directors of McGrath for any other business without prior written approval, and ongoing confidentiality obligations.