

### Waiver of ASX Listing Rule 6.18

10 September 2018 – McGrath Limited (ASX: MEA) (**McGrath**) confirms that ASX has granted a waiver of ASX Listing Rule 6.18 with respect to certain anti-dilution rights granted to AL Capital Holding Pty Limited as trustee for the AL Capital No 1 Unit Trust, which is part of the Aqualand Group (**Aqualand**) under the Subscription Agreement announced to ASX on 20 June 2018 (**Anti-Dilution Right**).

On 20 June 2018, McGrath announced to ASX that it had secured a \$10.7 million (before costs) strategic investment by Aqualand by way of a placement in two tranches in accordance with the terms of the Subscription Agreement.

The Anti-Dilution Right entitles Aqualand to maintain, by way of a right to participate in any issue of securities or to subscribe for securities, its percentage interest in the issued share capital of McGrath.

The waiver has been granted subject to customary terms and conditions, which are set out in Attachment 1 to this announcement.

-Ends-

**For further media information,  
please call Terri Sissian on +61 (0) 419 881414**

#### **About McGrath**

McGrath Limited (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 94 offices located throughout the East Coast of Australia. For further information, please visit [www.mcgrath.com.au](http://www.mcgrath.com.au).

## Attachment 1 – Terms of ASX waiver

### DECISION

1. Based solely on the information provided, ASX Limited (“ASX”) grants McGrath Limited (the “Company”) a waiver from listing rule 6.18 to the extent necessary to permit AL Capital Holding Pty Limited as trustee for the AL Capital No 1 Unit Trust (“AL Capital”) to maintain, by way of a right to participate in any issue of securities or to subscribe for securities, its percentage interest in the issued share capital of the Company (the “Anti-Dilution Right”) in respect of a diluting event which occurs following the issue of 25,189,880 fully paid ordinary shares, on the following conditions.
  - 1.1. The Anti-Dilution Right lapses on the earlier of:
    - 1.1.1. the date on which AL Capital ceases to hold in aggregate at least 15% voting power in the Company (other than as a result of shares (or equity securities) to which the Anti-Dilution Right applies and in respect of which AL Capital is still entitled to exercise, or has exercised, the Anti-Dilution Right);
    - 1.1.2. the date on which AL Capital’s voting power in the Company exceeds 25%;
    - 1.1.3. the strategic relationship between the Company and AL Capital ceasing or changing in such a way that it effectively ceases; or
    - 1.1.4. the date which is 3 years from the date the second tranche of shares are issued, being 1 August 2021.
  - 1.2. The Anti-Dilution Right may only be transferred to a related body corporate of AL Capital.
  - 1.3. Any securities issued under the Anti-Dilution Right are offered to AL Capital for cash consideration that is:
    - 1.3.1. no more favourable than cash consideration paid by third parties (in the case of issues of securities to third parties for cash consideration); or
    - 1.3.2. equivalent in value to non-cash consideration offered by third parties (in the case of issues of securities to third parties for non-cash consideration).
  - 1.4. The number of securities that may be issued to AL Capital under the Anti-Dilution Right in the case of any diluting event must not be greater than the number required in order for AL Capital to maintain its percentage holding in the issued share capital of the Company immediately before that diluting event.
  - 1.5. The Company discloses a summary of the Anti-Dilution Right to persons who may subscribe for securities under a prospectus, and undertakes to include in each annual report a summary of the Anti-Dilution Right.
  - 1.6. The Company immediately releases the terms of the waiver to the market.
2. ASX has considered listing rule 6.18 only and makes no statement as to the Company’s compliance with other listing rules.