

Introduction of Employee Exempt Share Plan

Sydney, 02 October 2018 – Quickstep Holdings Limited (ASX:QHL), Australia’s leading independent manufacturer of advanced carbon fibre composite components, today announced that as part of its **OneQuickstep** initiative, it will introduce an Employee Exempt Share Plan (“**Share Plan**”). The Share Plan has been put in place to recognise the contribution that Quickstep’s employees make to the growing success of the business.

It is proposed that all eligible employees will be offered QHL shares to the value of \$750 each in year one, with no consideration payable by employees. This offer provides employees with a financial share in the Company and, through share ownership, Quickstep employees will have further incentive to contribute to the Company’s financial performance. Share ownership will align employees’ interests with those of Quickstep’s shareholders and with the Company’s overall performance. Quickstep firmly believes that employee share ownership drives increased focus on individual contribution to the Company’s overall performance.

Given the current number of Eligible Employees and recent share price, the Company expects to issue up to approximately 1,875,000 shares in total under this inaugural offer. The Company intends to expand the opportunity for employees to grow their share ownership in future years in accordance with the terms of the Share Plan. An overview of the Share Plan is set out in the attached Annexure.

-ENDS-

About Quickstep Holdings

Quickstep Holdings Limited (ASX: QHL) is the largest independent aerospace-grade advanced composite manufacturer in Australia, operating from state-of-the-art aerospace manufacturing facilities at Bankstown Airport in Sydney, NSW and a manufacturing and R&D/ process development centre in Geelong, Victoria. The group employs more than 200 people in Australia and internationally. Quickstep is partnering with some of the world’s largest aerospace / defence organisations including Lockheed Martin (US), Northrop Grumman (US), Boeing Defense (US) and BAE Systems (UK), as well as Australian companies Marand Precision Engineering and Chemring Australia. Quickstep is currently working on new opportunities with a number of additional companies including General Atomics (US). More information about Quickstep is available at www.quickstep.com.au

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Annexure 1

Overview of Employee Exempt Share Plan

Eligible Employees:	All permanent full-time and part-time staff and employees of Quickstep with six (6) months service and who are also Australian tax residents.
Class of securities to be Offered:	Fully Paid Ordinary Shares.
Terms of Shares to be Offered:	Shares provided by the Company will held in escrow for three years or until holders are no longer employed by Quickstep. Other than this, Shares will rank pari passu with all other Ordinary Shares of the Company.
Number of Shares to be Offered:	In the Inaugural Offer, each Eligible Employee will be offered shares to the value of \$750. The actual number of shares will therefore be dependent on the price applicable at the time of offer. In future years the number of shares allocated to each individual employee will vary, depending on their level of participation and any determination of the board at that time.
Consideration Payable for Shares:	Employees will not be required to provide any consideration for shares provided by the Company in the inaugural offer this year under the Share Plan. The Share Plan offers the Board a discretion in respect of future years.
Source of Shares to be Offered:	The terms of the Share Plan allow the Company the flexibility to satisfy its obligations under the Share Plan by either buying existing shares on-market on behalf of Employees, or by issuing new shares. However, until otherwise determined it is the Board's intention that all obligations under the Share Plan will be satisfied by the issue of new shares.

The Company currently does not intend to seek shareholder approval for the Share Plan, and therefore:

- (a) shares issued under the Share Plan will be included in the 15% limit of shares able to be issued by the Company without shareholder approval under ASX Listing Rule 7.1; and
- (b) directors will not be offered shares under the Share Plan.

However, in future the Board may, at its absolute discretion, seek shareholder ratification at any General Meeting of Shareholders pursuant to ASX Listing Rule 7.4 for shares issued under the Share Plan, or may seek shareholder approval for the Share Plan itself.