

Appendix 3G

Notification of issue, conversion or payment up of equity +securities

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

If you are an entity incorporated outside Australia and you are issuing a new class of +securities other than CDIs, you will need to obtain and provide an International Securities Identification Number (ISIN) for that class. Further information on the requirement for the notification of an ISIN is available from the Create Online Forms page. ASX is unable to create the new ISIN for non-Australian issuers.

*Denotes minimum information required for first lodgement of this form, with exceptions provided in specific notes for certain questions. The balance of the information, where applicable, must be provided as soon as reasonably practicable by the entity.

Part 1 - Entity and announcement details

Question no	Question	Answer
1.1	*Name of entity <i>We (the entity here named) give notice of the issue, conversion or payment up of the following unquoted +securities.</i>	McGrath Limited
1.2	*Registration type and number <i>Please supply your ABN, ARSN, ARBN, ACN or another registration type and number (if you supply another registration type, please specify both the type of registration and the registration number).</i>	ABN 61 608 153 779
1.3	*ASX issuer code	MEA
1.4	*This announcement is <i>Tick whichever is applicable.</i>	☒ A new announcement ☐ An update/amendment to a previous announcement ☐ A cancellation of a previous announcement
1.4a	*Reason for update <i>Mandatory only if "Update" ticked in Q1.4 above. A reason must be provided for an update.</i>	Not applicable
1.4b	*Date of previous announcement to this update <i>Mandatory only if "Update" ticked in Q1.4 above.</i>	Not applicable
1.4c	*Reason for cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	Not applicable
1.4d	*Date of previous announcement to this cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	Not applicable
1.5	*Date of this announcement	22 January 2021

Part 2 - Type of issue

Question No.	Question	Answer
2.1	*The +securities the subject of this notification are: <i>Select whichever item is applicable.</i> <i>If you wish to notify ASX of different types of issues of securities, please complete a separate Appendix 3G for each type of issue.</i>	☐ +Securities issued as a result of options being exercised or other +convertible +securities being converted and that are not to be quoted on ASX ☐ Partly paid +securities that have been fully paid up and that are not to be quoted on ASX ☒ +Securities issued under an +employee incentive scheme that are not being immediately quoted on ASX ☐ Other [please specify] <i>If you have selected 'other' please provide the circumstances of the issue here:</i>
2.2a.1	Please state the number and type of options that were exercised or other +convertible securities that were converted (including their ASX security code if available)? <i>Answer this question if your response to Q2.1 is "securities issued as a result of options being exercised or other convertible securities being converted and that are not to be quoted on ASX".</i>	Not applicable
2.2a.2	And the date the options were exercised or other +convertible securities were converted: <i>Answer this question if your response to Q2.1 is "securities issued as a result of options being exercised or other convertible securities being converted and that are not to be quoted on ASX".</i> <i>Note: If this occurred over a range of dates, enter the date the last of the options was exercised or convertible securities was converted.</i>	Not applicable
2.2b.1	Please state the number and type of partly paid +securities that were fully paid up (including their ASX security code if available)? <i>Answer this question if your response to Q2.1 is "partly paid securities that have been paid up and that are not to be quoted on ASX".</i>	Not applicable
2.2b.2	And the date the +securities were fully paid up: <i>Answer this question if your response to Q2.1 is "partly paid securities that have been paid up and that are not to be quoted on ASX".</i> <i>Note: If this occurred over a range of dates, enter the date the last of the securities was fully paid up.</i>	Not applicable

2.2c.1	Please state the number and type of +securities (including their ASX security code) issued under an +employee incentive scheme that are not being immediately quoted on ASX <i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i>	1,525,287 Unquoted Performance Rights																					
2.2c.2	*Please attach a document or provide details of a URL link for a document lodged with ASX detailing the terms of the +employee incentive scheme or a summary of the terms. <i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i>	See attached copy of the <i>McGrath Limited Equity Incentive Plan Rules</i>																					
2.2c.3	*Are any of these +securities being issued to +key management personnel (KMP) or an +associate <i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i>	Yes																					
2.2c.3.a	*Provide details of the recipients and the number of +securities issued to each of them. <i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX" and your response to Q2.2c.3 is "Yes". Repeat the detail in the table below for each KMP involved in the issue. If the securities are being issued to the KMP, repeat the name of the KMP or insert "Same" in "Name of registered holder". If the securities are being issued to an associate of a KMP, insert the name of the associate in "Name of registered holder".</i> <table border="1"> <thead> <tr> <th>Name of KMP</th><th>Name of registered holder</th><th>Number of +securities</th></tr> </thead> <tbody> <tr> <td>Edward Law</td><td>Edward Law</td><td>501,002</td></tr> <tr> <td>Robert Fearnley</td><td>Robert Fearnley</td><td>151,134</td></tr> <tr> <td>Howard Herman</td><td>Howard Herman</td><td>222,764</td></tr> <tr> <td>Christopher Mourd</td><td>Christopher Mourd</td><td>249,499</td></tr> <tr> <td>Other executives</td><td></td><td>400,888</td></tr> <tr> <td>Total</td><td></td><td>1,525,287</td></tr> </tbody> </table>		Name of KMP	Name of registered holder	Number of +securities	Edward Law	Edward Law	501,002	Robert Fearnley	Robert Fearnley	151,134	Howard Herman	Howard Herman	222,764	Christopher Mourd	Christopher Mourd	249,499	Other executives		400,888	Total		1,525,287
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Edward Law	Edward Law	501,002																					
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Christopher Mourd	Christopher Mourd	249,499																					
Other executives		400,888																					
Total		1,525,287																					
2.2d.1	*The purpose(s) for which the entity is issuing the +securities is: <i>Answer this question if your response to Q2.1 is "Other".</i> <i>You may select one or more of the items in the list.</i>	☐ To raise additional working capital ☐ To fund the retirement of debt ☐ To pay for the acquisition of an asset [provide details below] ☐ To pay for services rendered [provide details below] ☐ Other [provide details below] <i>Additional details:</i> Not applicable																					

2.2d.2	Please provide any further information needed to understand the circumstances in which you are notifying the issue of these +securities to ASX, including (if applicable) why the issue of the +securities have not been previously announced to the market in an Appendix 3B <i>You must answer this question if your response to Q2.1 is "Other". If there is no other information to provide, please answer "Not applicable" or "N/A".</i>	Not applicable
2.3	*The +securities being issued are: <i>Tick whichever is applicable</i>	☒ Additional +securities in an existing unquoted class that is already recorded by ASX ("existing class") ☐ New +securities in an unquoted class that is not yet recorded by ASX ("new class")

Part 3A - number and type of +securities being issued (existing class)

Answer the questions in this part if your response to Q2.3 is "existing class".

Question No.	Question	Answer
3A.1	*ASX security code & description	MEAAB - Unquoted Performance Rights
3A.2	*Number of +securities being issued	1,525,287
3A.3a	*Will the +securities being issued rank equally in all respects from their issue date with the existing issued +securities in that class?	Yes
3A.3b	*Is the actual date from which the +securities will rank equally (non-ranking end date) known? <i>Answer this question if your response to Q3A.3a is "No".</i>	Not applicable
3A.3c	*Provide the actual non-ranking end date <i>Answer this question if your response to Q3A.3a is "No" and your response to Q3A.3b is "Yes".</i>	Not applicable
3A.3d	*Provide the estimated non-ranking end period <i>Answer this question if your response to Q3A.3a is "No" and your response to Q3A.3b is "No".</i>	Not applicable
3A.3e	*Please state the extent to which the +securities do not rank equally: • in relation to the next dividend, distribution or interest payment; or • for any other reason <i>Answer this question if your response to Q3A.3a is "No".</i> <i>For example, the securities may not rank at all, or may rank proportionately based on the percentage of the period in question they have been on issue, for the next dividend, distribution or interest payment; or they may not be entitled to participate in some other event, such as an entitlement issue.</i>	Not applicable

Part 3B - number and type of +securities being issued (new class)

Answer the questions in this part if your response to Q2.3 is "new class".

Question No.	Question	Answer
3B.1	*Security description	Not applicable
3B.2	*Security type Select one item from the list that best describes the securities the subject of this form. This will determine more detailed questions to be asked about the security later in this section. Select "ordinary fully or partly paid shares/units" for stapled securities or CDIs. For interest rate securities, please select the appropriate choice from either "Convertible debt securities" or "Non-convertible debt securities". Select "Other" for performance shares/units and performance options/rights or if the selections available in the list do not appropriately describe the security being issued.	☐ Ordinary fully or partly paid shares/units ☐ Options ☐ +Convertible debt securities ☐ Non-convertible +debt securities ☐ Redeemable preference shares/units ☐ Other Not applicable
3B.3	ISIN code Answer this question if you are an entity incorporated outside Australia and you are issuing a new class of securities other than CDIs. See also the note at the top of this form.	Not applicable
3B.4	*Number of +securities being issued	Not applicable
3B.5a	*Will all the +securities issued in this class rank equally in all respects from the issue date?	Not applicable
3B.5b	*Is the actual date from which the +securities will rank equally (non-ranking end date) known? Answer this question if your response to Q3B.5a is "No".	Not applicable
3B.5c	*Provide the actual non-ranking end date Answer this question if your response to Q3B.5a is "No" and your response to Q3B.5b is "Yes".	Not applicable
3B.5d	*Provide the estimated non-ranking end period Answer this question if your response to Q3B.5a is "No" and your response to Q3B.5b is "No".	Not applicable
3B.5e	*Please state the extent to which the +securities do not rank equally: • in relation to the next dividend, distribution or interest payment; or • for any other reason Answer this question if your response to Q3B.5a is "No". For example, the securities may not rank at all, or may rank proportionately based on the percentage of the period in question they have been on issue, for the next dividend, distribution or interest payment; or they may not be entitled to participate in some other event, such as an entitlement issue.	Not applicable

3B.6	Please attach a document or provide a URL link for a document lodged with ASX setting out the material terms of the +securities being issued <i>You may cross reference a disclosure document, PDS, information memorandum, investor presentation or other announcement with this information provided it has been released to the ASX Market Announcements Platform.</i>	Not applicable
3B.7	*Have you received confirmation from ASX that the terms of the +securities are appropriate and equitable under listing rule 6.1? <i>Answer this question only if you are an ASX Listing. (ASX Foreign Exempt Listings and ASX Debt Listings do not have to answer this question).</i> <i>If your response is "No" and the securities have any unusual terms, you should approach ASX as soon as possible for confirmation under listing rule 6.1 that the terms are appropriate and equitable.</i>	Not applicable
3B.8a	Ordinary fully or partly paid shares/units details <i>Answer the questions in this section if you selected this security type in your response to Question 3B.2.</i>	
	*+Security currency <i>This is the currency in which the face amount of an issue is denominated. It will also typically be the currency in which distributions are declared.</i>	Not applicable
	*Will there be CDIs issued over the +securities?	Not applicable
	*CDI ratio <i>Answer this question if you answered "Yes" to the previous question. This is the ratio at which CDIs can be transmuted into the underlying security (e.g. 4:1 means 4 CDIs represent 1 underlying security whereas 1:4 means 1 CDI represents 4 underlying securities).</i>	Not applicable
	*Is it a partly paid class of +security?	Not applicable
	*Paid up amount: unpaid amount <i>Answer this question if answered "Yes" to the previous question.</i> <i>The paid up amount represents the amount of application money and/or calls which have been paid on any security considered 'partly paid'</i> <i>The unpaid amount represents the unpaid or yet to be called amount on any security considered 'partly paid'.</i> <i>The amounts should be provided per the security currency (e.g. if the security currency is AUD, then the paid up and unpaid amount per security in AUD).</i>	Not applicable
	*Is it a stapled +security? <i>This is a security class that comprises a number of ordinary shares and/or ordinary units issued by separate entities that are stapled together for the purposes of trading.</i>	Not applicable
3B.8b	Option details <i>Answer the questions in this section if you selected this security type in your response to Question 3B.2.</i>	
	*+Security currency <i>This is the currency in which the exercise price is payable.</i>	Not applicable

	*Exercise price <i>The price at which each option can be exercised and convert into the underlying security. If there is no exercise price, please answer as \$0.00.</i> <i>The exercise price should be provided per the security currency (i.e. if the security currency is AUD, the exercise price should be expressed in AUD).</i>	Not applicable
	*Expiry date <i>The date on which the options expire or terminate.</i>	Not applicable
	*Details of the number and type of +security (including its ASX security code if the +security is quoted on or recorded by ASX) that will be issued if an option is exercised <i>For example, if the option can be exercised to receive one fully paid ordinary share with ASX security code ABC, please insert "One fully paid ordinary share (ASX:ABC)".</i>	Not applicable
3B.8c	Details of non-convertible +debt securities, +convertible debt securities, or redeemable preference shares/units <i>Answer the questions in this section if you selected one of these security types in your response to Question 3B.2.</i> <i>Refer to Guidance Note 34 and the "Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities" for further information on certain terms used in this section</i>	
	*Type of +security <i>Select one item from the list</i>	☐ Simple corporate bond ☐ Non-convertible note or bond ☐ Convertible note or bond ☐ Preference share/unit ☐ Capital note ☐ Hybrid security ☐ Other
	*+Security currency <i>This is the currency in which the face value of the security is denominated. It will also typically be the currency in which interest or distributions are paid.</i>	Not applicable
	Face value <i>This is the principal amount of each security.</i> <i>The face value should be provided per the security currency (i.e. if security currency is AUD, then the face value per security in AUD).</i>	Not applicable
	*Interest rate type <i>Select one item from the list</i> <i>Select the appropriate interest rate type per the terms of the security. Definitions for each type are provided in the Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities</i>	☐ Fixed rate ☐ Floating rate ☐ Indexed rate ☐ Variable rate ☐ Zero coupon/no interest ☐ Other
	Frequency of coupon/interest payments per year <i>Select one item from the list.</i>	☐ Monthly ☐ Quarterly ☐ Semi-annual ☐ Annual ☐ No coupon/interest payments ☐ Other

	First interest payment date <i>A response is not required if you have selected "No coupon/interest payments" in response to the question above on the frequency of coupon/interest payments</i>	Not applicable
	Interest rate per annum <i>Answer this question if the interest rate type is fixed.</i>	Not applicable
	*Is the interest rate per annum estimated at this time? <i>Answer this question if the interest rate type is fixed.</i>	Not applicable
	If the interest rate per annum is estimated, then what is the date for this information to be announced to the market (if known) <i>Answer this question if the interest rate type is fixed and your response to the previous question is "Yes". Answer "Unknown" if the date is not known at this time.</i>	Not applicable
	*Does the interest rate include a reference rate, base rate or market rate (e.g. BBSW or CPI)? <i>Answer this question if the interest rate type is floating or indexed</i>	Not applicable
	*What is the reference rate, base rate or market rate? <i>Answer this question if the interest rate type is floating or indexed and your response to the previous question is "Yes".</i>	Not applicable
	*Does the interest rate include a margin above the reference rate, base rate or market rate? <i>Answer this question if the interest rate type is floating or indexed.</i>	Not applicable
	*What is the margin above the reference rate, base rate or market rate (expressed as a percent per annum) <i>Answer this question if the interest rate type is floating or indexed and your response to the previous question is "Yes".</i>	Not applicable
	*S128F of the Income Tax Assessment Act status applicable to the +security <i>Select one item from the list For financial products which are likely to give rise to a payment to which s128F of the Income Tax Assessment Act applies, ASX requests issuers to confirm the s128F status of the security:</i> • "s128F exempt" means interest payments are not taxable to non-residents; • "Not s128F exempt" means interest payments are taxable to non-residents; • "s128F exemption status unknown" means the issuer is unable to advise the status; • "Not applicable" means s128F is not applicable to this security	☐ s128F exempt ☐ Not s128F exempt ☐ s128F exemption status unknown ☒ Not applicable
	*Is the +security perpetual (i.e. no maturity date)?	Not applicable
	*Maturity date <i>Answer this question if the security is not perpetual</i>	Not applicable

	*Select other features applicable to the +security <i>Up to 4 features can be selected. Further information is available in the Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities.</i>	☐ Simple ☐ Subordinated ☐ Secured ☐ Converting ☐ Convertible ☐ Transformable ☐ Exchangeable ☐ Cumulative ☐ Non-Cumulative ☐ Redeemable ☐ Extendable ☐ Reset ☐ Step-Down ☐ Step-Up ☐ Stapled ☐ None of the above
	*Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?	Not applicable
	*If yes, what is the first trigger date <i>Answer this question if your response to the previous question is "Yes".</i>	Not applicable
	Details of the number and type of +security (including its ASX security code if the +security is quoted on ASX) that will be issued if the securities to be quoted are converted, transformed or exchanged <i>Answer this question if the security features include "converting", "convertible", "transformable" or "exchangeable".</i> <i>For example, if the security can be converted into 1,000 fully paid ordinary shares with ASX security code ABC, please insert "1,000 fully paid ordinary shares (ASX:ABC)".</i>	Not applicable

Part 4 - Issue details

Question No.	Question	Answer
4.1	*Have the +securities been issued yet?	No
4.1a	*What was their date of issue? <i>Answer this question if your response to Q4.1 is "Yes".</i>	Not applicable
4.1b	*What is their proposed date of issue? <i>Answer this question if your response to Q4.1 is "No".</i>	25 January 2021
4.2	*Are the +securities being issued for a cash consideration? <i>If the securities are being issued for nil cash consideration, answer this question "No".</i>	No

4.2a	*In what currency is the cash consideration being paid <i>For example, if the consideration is being paid in Australian Dollars, state AUD.</i> <i>Answer this question if your response to Q4.2 is "Yes".</i>	Not applicable
4.2b	*What is the issue price per +security <i>Answer this question if your response to Q4.2 is "Yes" and by reference to the issue currency provided in your response to Q4.2a.</i> <i>Note: you cannot enter a nil amount here. If the securities are being issued for nil cash consideration, answer Q4.2 as "No" and complete Q4.2c.</i>	Not applicable
4.2c	Please describe the consideration being provided for the +securities <i>Answer this question if your response to Q4.2 is "No".</i>	The Performance Rights have been issued to certain executives under the McGrath Limited Equity Incentive Plan. The Performance Rights are subject to certain conditions including the continued employment of the participant with McGrath and performance hurdles set out in the terms of grant including earnings per share target and relative total shareholder return target (as applicable). All Performance Rights have a nil exercise price. Vested Performance Rights may be converted into Fully Paid Ordinary Shares in the capital of McGrath in accordance with the terms of the grant.
4.3	Any other information the entity wishes to provide about the issue	No

Part 5 - Unquoted +securities on issue

Following the issue of the +securities the subject of this application, the unquoted issued +securities of the entity will comprise:

Note: the figures provided in the table in section 5.1 below are used to calculate part of the total market capitalisation of the entity published by ASX from time to time. Please make sure you include in the table each class of unquoted securities issued by the entity.

Restricted securities should be included in table 5.1.

5.1		
	*ASX security code and description	*Total number of +securities on issue
	MEAAB - Unquoted Performance Rights	4,002,876

Part 6 - Other Listing Rule requirements

The questions in this Part should only be answered if you are an ASX Listing (ASX Foreign Exempt Listings and ASX Debt Listings do not need to complete this Part) and:

- your response to Q2.1 is "+securities issued under an +employee incentive scheme that are not being immediately quoted on ASX"; or
- your response to Q2.1 is "Other"

Question No.	Question	Answer
6.1	*Are the securities being issued under Listing Rule 7.2 exception 13¹ and therefore the issue does not need any security holder approval under Listing Rule 7.1? <i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i>	Yes
6.2	*Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1? <i>Answer this question if the response to Q6.1 is "No".</i>	Not applicable
6.2a	*Date of meeting or proposed meeting to approve the issue under listing rule 7.1 <i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "Yes".</i>	Not applicable
6.2b	*Are any of the +securities being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1? <i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "No".</i>	Not applicable

¹ Exception 13

An issue of securities under an employee incentive scheme if within 3 years before the issue date:

- (a) in the case of a scheme established before the entity was listed – a summary of the terms of the scheme and the maximum number of equity securities proposed to be issued under the scheme were set out in the prospectus, PDS or information memorandum lodged with ASX under rule 1.1 condition 3; or
- (b) the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as an exception to this rule. The notice of meeting must have included:
 - a summary of the terms of the scheme.
 - the number of securities issued under the scheme since the entity was listed or the date of the last approval under this rule;
 - the maximum number of +equity securities proposed to be issued under the scheme following the approval; and
 - a voting exclusion statement.

Exception 13 is only available if and to the extent that the number of +equity securities issued under the scheme does not exceed the maximum number set out in the entity's prospectus, PDS or information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

Exception 13 ceases to be available if there is a material change to the terms of the scheme from those set out in the entity's prospectus, PDS or information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

6.2b.1	*How many +securities are being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1? <i>Answer this question if the response to Q6.1 is "No", the response to Q6.2 is "No" and the response to Q6.2b is "Yes".</i> <i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure B to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1 to issue that number of securities.</i>	Not applicable
6.2c	*Are any of the +securities being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)? <i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "No".</i>	Not applicable
6.2c.1	*How many +securities are being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A? <i>Answer this question if the response to Q6.1 is "No", the response to Q6.2 is "No" and the response to Q6.2c is "Yes".</i> <i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure C to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1A to issue that number of securities.</i>	Not applicable

Introduced 01/12/19; amended 31/01/20

EQUITY INCENTIVE PLAN

MCGRATH HOLDING COMPANY LIMITED

Plan Rules

Adopted by the Board on 22 February 2017

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PLAN RULES

1 INTRODUCTION

1.1 Name of Plan

The Plan is to be referred to as the “McGrath Equity Incentive Plan”.

1.2 Objective of Plan

The objective of the Plan is to provide a mechanism for achieving the Company’s overarching remuneration objectives of aligning the interests of staff and shareholders, with a view to driving superior outcomes for shareholders.

1.3 Date of effect of the Plan

The Plan will be effective from the date it is adopted by the Board or other date as determined by the Board to be the commencement date.

1.4 Application of Laws

The Plan is subject to Applicable Laws.

2 DEFINED TERMS AND INTERPRETATION

2.1 Defined Terms

In this Plan, unless the context otherwise requires, the following terms and expressions mean:

Applicable Laws are any one, several or all of the following as the context requires:

- (a) Corporations Act;
- (b) Corporations Regulations;
- (c) any other laws;
- (d) the Listing Rules;
- (e) the Constitution; and
- (f) any practice note, policy statement, class order, declaration, guideline, policy or procedure pursuant to the provisions of which either ASIC or ASX is authorised or entitled to regulate, implement or enforce, either directly or indirectly, the provisions of any of the foregoing statutes, regulations, rules, deeds or agreements or any conduct or proposed conduct of

any person pursuant to any of the above mentioned statutes, regulations, rules, deeds or agreements;

ASIC is the Australian Securities and Investments Commission;

ASX is ASX Limited (ACN 008 624 691);

ATO is the Australian Taxation Office and includes the Commissioner of Taxation and his or her delegates;

Board is the board of directors of the Company from time to time or, if relevant powers have been delegated by the Board, the person or body to which the Board has delegated its powers under this Plan;

Calculation Date means the date as determined by the Board for the calculation under rule 9.3;

Cessation Date is the date on which a Participant ceases to be employed by the Company;

Company is McGrath Holding Company Limited (ACN 608 153 779);

Constitution is the constitution (if any) of the Company as the term is defined in Section 9 of the Corporations Act;

Contractor means

- (a) an individual with whom the Company has entered into a contract for the provision of services under which the individual performs work for the Company; or
- (b) a company with whom the Company has entered into a contract for the provision of services under which an individual, who is a director of the company or their spouse, performs work for the Company,

where the individual who performs the work under or in relation to the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the Company;

Control Event means any of the following events:

- (a) a Takeover Event;
- (b) a court orders a meeting to be convened in relation to a proposed compromise or arrangement for the purposes of, or in connection with:

- i. a scheme which would, if it becomes effective, result in any person (either alone or together with its related bodies corporate) owning all of the shares in the Company; or
 - ii. a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (c) members of the Company approve any compromise or arrangement referred to in paragraph b) i. above;
- (d) any person becomes bound or entitled to acquire shares in the Company under:
 - i. any compromise or arrangement referred to in paragraph (b) i. above which has been approved by the Court;
 - ii. section 414 of the Corporations Act; or
 - iii. Part 6A.1 or Part 6A.2 of the Corporations Act;
- (e) a resolution is proposed to be put to shareholders proposing a voluntary winding up of the Company;
- (f) an order is sought for the compulsory winding up of the Company; or
- (g) the Board in its absolute discretion, subject to Applicable Laws, determines that any other transaction, event or state of affairs should be treated as a Control Event.

Corporations Act is the *Corporations Act 2001* (Cth);

Corporations Regulations are any and all regulations made under the Corporations Act;

Current Market Value means volume weighted average price of the Shares over the 30 trading days prior to the Calculation Date;

Dealing means in relation to a Performance Share Right, an Option, or a Share (as relevant), any dealing, including but not limited to:

- (a) a sale, transfer, assignment, trust, encumbrance, option, swap, any alienation of all or any part of the rights attaching to the Performance Share Right, Option or Share;
- (b) any attempt to do any of the actions set out in paragraph (a) above; and
- (c) any hedging or dealing with a derivative instrument intended to “lock in” a profit relating to a Performance Share Right, Option or Share;

Eligible Participant is:

(a) any individual who is a:

- i. Permanent Employee; or
- ii. Contractor, of the Company; and

(b) any person deemed to be an eligible participant by the Board,

and who is determined by the Board in its absolute discretion, subject to Applicable Laws, to be eligible for participation under the Plan to receive an Offer;

Financial Assistance means a loan made to a Participant on the terms and conditions of these Rules to enable the Participant to acquire a Share;

Limited Recourse Loan Share means a Share issued under clause 14.2;

Listing Rules means the Official Listing Rules of the ASX;

Offer is an offer to participate in the Plan made to an Eligible Participant by the Company pursuant to rule 3 or rule 14 and subject to the terms provided in the Offer Letter including any terms and conditions determined by the Board;

Offer Acceptance Form is a form for the acceptance of Offers made to Eligible Participants in a form determined by the Board;

Offer Letter is the document under which the terms of the Offer are to be made to an Eligible Participant and in a form as the Board determines;

Option is a right to a share granted to a Participant pursuant to an Offer, made under rule 3 and subject to the satisfaction of any applicable Performance Conditions or Trading Restrictions and payment of the applicable exercise price;

Participant is an Eligible Participant who receives and accepts an Offer from the Board to participate in the Plan;

Performance Condition is one or more conditions including a period of service determined by the Board in its absolute discretion, subject to Applicable Laws, which must be satisfied or circumstances which must exist before:

(a) the vesting of and the allocation or issue of any Shares to or by Eligible Participants pursuant to a Performance Share Right or any other Offer;

(b) any Shares allocated or issued to Eligible Participants allocated pursuant to the vesting of a Performance Share Right or any other Offer cease to be liable to forfeiture;

(c) before an Option may be exercised; or

(d) before the Financial Assistance in respect of a Limited Recourse Loan Share is discharged.

Performance Share Rights is a right of an Eligible Participant to be allocated or issued a share granted to a Participant pursuant to an Offer, made under rule 3 subject to the satisfaction of any applicable Performance Conditions or Trading Restrictions;

Permanent Employee is a person who is a full-time or permanent part-time employee of the Company or a Subsidiary of the Company (including any person who may be on parental leave, long service leave or other special leave as approved by the Company or Subsidiary of the Company);

Plan is the McGrath Equity Incentive Plan constituted by this document and governed by these Plan Rules;

Plan Rules are the terms and conditions contained in this document (as amended from time to time) which govern how this Plan is to operate;

Privacy Laws means:

(a) the Privacy Act 1988 (Cth); and

(b) any other requirement under Applicable Law, industry code, policy or statement relating to privacy and the protection of personal information;

Restricted Shares is a Share issued to a Participant pursuant to an Offer under rule 14, subject to the restrictions pursuant to rule 14;

Share is a fully paid ordinary share in the capital of the Company;

Subsidiary means a subsidiary as defined in the Corporations Act;

Takeover Bid has the meaning given in section 9 of the Corporations Act;

Takeover Event means:

(a) a Takeover Bid being made for Shares (for these purposes, a Takeover Bid will be made when a bidder serves its bidder's statement on the Company) and:

- iii. the Board recommending that shareholders accept any Takeover Bid for Shares; or
- iv. a Takeover Bid for Shares becoming unconditional and the bidder has a relevant interest in more than 50% of the Shares;

Tax Liability means any liability for income tax, employment tax, levy, social security contributions or charge of a similar nature which results in the Company having a withholding tax, deduction, fringe benefits tax or similar obligation in relation to any payment or benefit made or provided to a Participant pursuant to the Rules;

Trading Restriction means the mechanism administered by the Company (including through its share registry) to prevent Shares being disposed of or otherwise dealt with by a Participant without approval of the Board during the Trading Restriction Period;

Trading Restriction Period means the time and date from which the Board notifies a Participant that a Trading Restriction will apply to a future time and date specified by the Board, or if such time and date is not specified, the satisfaction of certain conditions by the Participant as required by the Board; and

Vesting Date means: (a) in respect of Performance Share Rights, the latter of the date specified in the Offer as the Vesting Date and the date on which all Performance Conditions are satisfied, and (b) in respect of any Shares allocated pursuant to the vesting of Performance Share Rights, the latter of the date specified in the Offer as the Vesting Date and the date on which all Performance Conditions relating to those Shares are satisfied.

2.2 Interpretation

In this document, any headings have been included solely for convenience and unless the context otherwise requires:

- (a) a reference to any legislation includes an amendment, consolidation, re-enactment or replacement of it, and any subordinate legislation;
- (b) a reference to rules or to an agreement or document is to the rules, agreement or document as amended or replaced;
- (c) the singular includes the plural and vice versa;
- (d) a reference to any gender includes all genders;
- (e) a reference to a person includes the legal personal representative of that person and also corporations and other entities recognised by law;

- (f) a reference to a rule or paragraph is a reference to a rule or paragraph of these Rules, or the corresponding Rule or Rules, as amended from time to time;
- (g) if an expression is defined, another part of speech and grammatical form of the expression has a corresponding meaning; and
- (h) headings and references to headings are for ease of reference only and do not affect interpretation.

2.3 Primary instruments

These Plan Rules are to be interpreted subject to the Applicable Laws.

2.4 Applicable Laws

An Offer made to an Eligible Participant pursuant to this Plan and any Performance Share Rights, Options and/or Shares, must not be dealt with or transferred under the Plan in such a way that would contravene any of the Applicable Laws or these Plan Rules.

2.5 Administration of Plan

The Plan is to be administered by the Board and to the extent decided by the Board from time to time in its absolute discretion, a third party including a trustee.

3 GRANT OF PERFORMANCE SHARE RIGHTS AND/OR OPTIONS

3.1 Board to make Offers

The Board, in its absolute discretion, subject to Applicable Laws, may from time to time make Offers to Eligible Participants on behalf of the Company to participate in a grant of Performance Share Rights and/or Options upon the terms set out in this Plan and upon such additional terms and conditions, including Performance Conditions (if any) as the Board in its absolute discretion, subject to Applicable Laws, determines.

3.2 Information to be provided to Eligible Participants

The Board will in the Offer Letter advise each Eligible Participant of the following minimum information regarding Performance Share Rights or Options, and the Shares which will be allocated on vesting of Performance Share Rights or exercise of Options:

- (a) the number of Performance Share Rights and/or Options being offered;
- (b) in the case of a Performance Share Right, the Vesting Date;
- (c) in the case of an Option, the period or periods during which the Option may be exercised;

- (d) the dates and times when any Performance Share Rights and/or Options lapse;
- (e) the amount (if any) that will be payable by an Eligible Participant prior to the issue or allocation of shares under a Performance Share Right. No payment is required for the grant unless the Board determines otherwise;
- (f) any amount that will be payable by an Eligible Participant upon exercise of an Option;
- (g) any applicable Performance Conditions that must be satisfied prior to the Vesting Date and the allocation of any Shares;
- (h) any applicable Performance Conditions that must be satisfied prior to the Vesting Date of any Shares allocated or issued pursuant to the Vesting of any Performance Share Rights and the consequences (including forfeiture of Shares) if such Performance Conditions are not satisfied or waived;
- (i) any restrictions (including the period of restriction) on Dealing in relation to Shares acquired pursuant to any Performance Share Right or on exercise of an Option (including any restrictions on Dealing following vesting or exercise, as applicable); and
- (j) any other relevant conditions required by any Applicable Law and any other relevant conditions to be attached to the Performance Share Rights, Options and/or Shares allocated under the Plan including the requirement that, subject to Rule 12, the Eligible Participant must continue to be and remain an Eligible Participant on the date that the Shares are allocated under Rule 13.

4 APPLICATIONS AND ACCEPTANCE OF OFFERS

- (a) An application by an Eligible Participant to participate in the Plan must be made in accordance with the instructions that accompany the Offer, or in any other way the Board determines.
- (b) The Board may only allow the participation of an Eligible Participant where that Eligible Participant continues to satisfy any relevant conditions imposed by the Board.
- (c) An Eligible Participant may accept the Offer in the manner set out in the Offer.
- (d) The Board may in its absolute discretion, subject to Applicable Laws, accept or reject any application.
- (e) Nothing limits the Board's ability to treat, at its absolute discretion, subject to Applicable Laws, an application made by an Eligible Participant in respect of an Offer as a valid application to participate in the Plan, notwithstanding that the Eligible Participant has not accepted the Offer in accordance with the Rules.

5 OFFERS PERSONAL

Unless otherwise determined by the Board, any Offer made to an Eligible Participant:

- (a) is personal to that person;
- (b) can only be accepted by that person; and
- (c) will not be transferable, transmissible or assignable.

6 DEALINGS

- (a) A Performance Share Right or Option granted under the Plan is only transferable by force of law, upon death, to the Participant's legal personal representative or, upon bankruptcy, to the Participant's trustee in bankruptcy.
- (b) Any Dealing in respect of a Performance Share Right and/or Option is prohibited, unless the Board determines otherwise.
- (c) Where the Participant purports to Deal with a Performance Share Right and/or Option other than in accordance with this rule 6, the Performance Share Right and/or Option will lapse, unless the Board determines otherwise.

7 NO HEDGING

- (a) A participant is prohibited from entering into any arrangement including but not limited to any financial product which operates to limit the economic risk of the Performance Share Rights or Options prior to vesting or becoming exercisable as relevant.
- (b) Where a participant enters into any arrangement in breach of rule 7(a) the Performance Share Right and/or Option will lapse, unless the Board determines otherwise.

8 RIGHTS ATTACHING TO SHARES

- (a) A Performance Share Right or Option has no rights other than those under the Plan and advised in the Offer Letter and do not have any entitlement to any dividend or right to exercise any voting rights.
- (b) Unless otherwise limited by these Plan Rules or under an agreement of the Shareholders of the Company, a Participant will be entitled to all rights attaching to the Shares once registered in the Participant's name including:
 - i. an entitlement to receive any dividend paid in relation to those Shares; and

- ii. the right to exercise any voting rights attaching to those Shares, or appoint a proxy to represent and vote for him or her, at any meeting of the members of the Company.

9 VESTING, EXERCISE AND LAPSE

9.1 Vesting of Performance Share Rights and Shares

- (a) Subject to rules 10 and 15 and/or the Board exercising its discretion, subject to Applicable Laws, under rule 9.3, upon acceptance of an Offer by the Company, a Performance Share Right does not need to be exercised and a Share will be allocated and/or issued on the Vesting Date without any further action on the part of the Participant;
- (b) Subject to rules 10 and 15, for a Performance Share Right granted under the Plan, a Share will only be allocated and/or issued where the Performance Conditions and any other relevant conditions advised to the Participant by the Board pursuant to rule 3.1 or 3.2 have been satisfied, including if an amount is payable upon the Vesting Date, accompanied by the payment of the relevant amount;
- (c) The Board may determine at any time that any Performance Share Rights are no longer subject to a particular Performance Condition and that specified Performance Conditions are waived; and
- (d) Where Performance Conditions apply to a Share allotted or issued on the vesting of Performance Share Rights:
 - i. The Board may determine at any time that any Performance Share Rights are no longer subject to a particular Performance Condition and that specified Performance Conditions are waived.
 - ii. Subject to the terms of the Offer, the Shares may be liable to forfeiture if the Performance Conditions are not met or waived by the date specified for performance.

9.2 Exercise of Options

- (a) The exercise of any Option granted under the Plan will be effected in the form and manner determined by the Board, and must be accompanied by payment of the relevant exercise price advised to the Participant by the Board pursuant to rule 3.2; or
- (b) Subject to rules 10 and 15, an Option granted under the Plan will only become exercisable where the Performance Conditions and any other relevant conditions advised to the Participant by the Board pursuant to rule 3.2 have been satisfied.

9.3 Discretion to make cash payment

- (a) Notwithstanding rule 9.1 and 9.2, the Board may determine in its absolute discretion, subject to Applicable Laws, that a vested Deferred Share Right, Performance Share Right or Option will be satisfied by the Company making a cash payment to the Participant in lieu of allocating Shares to the Participant under rule 9.1.
- (b) Where the Board, subject to Applicable Laws, exercises its discretion under this rule 9.3 to make a cash payment to a Participant in lieu of allocating Shares to that Participant, the Company must pay to the Participant, as soon as is reasonably practicable after the Vesting Date or the date of exercise (as applicable), an amount in Australian dollars (or any other currency determined by the Board in its absolute discretion, subject to Applicable Laws) calculated by:
- i. multiplying the number of vested Deferred Share Rights, Performance Share Rights or Options by the Current Market Value;
 - ii. deducting the exercise price (if any) for the Options; and
 - iii. deducting and remitting or otherwise retaining for payment to the ATO any related Tax Liability.

- 9.4** Where the Board determines that payment under rule 9.3 is to be made in a currency other than Australian dollars, unless the Board determines otherwise, the foreign exchange rate applied will be the average closing exchange rate for the relevant currency for the 5 Business Days prior to the Vesting Date or the date of exercise (as applicable).
- Lapse of Performance Share Rights or Options**

A Performance Share Right or Option will lapse upon the earliest to occur of:

- (a) 7 years (or 10 years in the case of an Option) from the date of the Company issuing an offer or any other date (whether more or less than 7 years (or 10 years in the case of an Option)) specified by the Board for the purposes of rule 3.2; and
- (b) the Performance Share Right or Option lapsing in accordance with a provision of rule 6, 7, 11 or 11; and
- (c) failure to meet the Performance Condition (if any) applicable to the Performance Share Right or Option within the prescribed period.

10 APPLICATION OF PART 2D.2 DIVISION 2 OF THE CORPORATIONS ACT

- (a) This rule applies to all termination payments to which Part 2D.2 Division 2 of the Corporations Act applies.

- (b) The Company is not required to provide, or procure the provision, of any benefit under these rules which is not permitted by Part 2D.2 Division 2 of the Corporations Act unless the required shareholder approvals have been obtained.
- (c) Any benefits required to be provided to a Participant under these rules must be reduced to ensure compliance with rule 10(b). In the event of overpayment to a Participant, the Participant must, on receiving written notice from the Board, immediately repay any monies or benefits specified in such notice to ensure compliance with rule 10(b).
- (d) If rule 10(b) applies the Company may in its sole discretion, subject to Applicable Laws, determine to seek shareholder approval.

11 CEASING EMPLOYMENT

11.1 Cessation of employment and termination of Contractor's contract

Should a Participant cease to be an Eligible Participant for any reason before:

- (a) the Vesting Date of a Performance Share Right; or
- (b) an Option has been exercised;

the Performance Share Right or Option will lapse unless the Board determines in its absolute discretion, subject to Applicable Laws, otherwise. In exercising its discretion under this rule, the Board will have regard to the cessation of employment or termination of the Contractor's contract being due to resignation, mutual agreement with the Company, the death, disability, genuine retirement or redundancy of the Participant.

11.2 Exercise of discretion

- (a) In exercising its discretion under rule 11.1, the Board may subject to rule 10, determine that as a consequence of the Participant ceasing employment or termination of the Participant's contract as a Contractor:
 - i. allocate or issue some or all of Shares that otherwise would have been issued or allocated on the Vesting Date of a Performance Share Right;
 - ii. some or all unvested Performance Share Rights or Options vest (and become exercisable, if applicable);
 - iii. some or all unexercised Options are only exercisable for a prescribed period and will otherwise lapse; and/or

- iv. some or all Performance Share Rights or Options (whether vested or unvested) lapse with effect from the Cessation Date;

(b) Where the Board exercises its discretion under rule 11.1, it will give written notice to the Participant of:

- i. any Shares to be immediately allocated in respect of any Performance Share Rights;
- ii. the Performance Share Rights or Options that have vested, lapsed or have become exercisable (as applicable); and
- iii. the period in which any Options must be exercised.

11.3 Different Cessation treatment

The Board may at the time of an Offer, provide for a different treatment upon cessation of employment or termination of Contractor's contract than that contemplated by rule 11.1 in which case the terms of the offer document provided to Eligible Participants under rule 3.2 shall, subject to rule 10, prevail over rule 11.1 to the extent of any inconsistency.

11.4 Employee and Contractor Actions

(a) If in the reasonable opinion of the Board:

- i. a Participant acts fraudulently or dishonestly, is in serious breach of duty (under contract or otherwise) to the Company or commits any act of harassment or discrimination; or
- ii. a Participant's actions cause a material financial misstatement or other significant breach of the Company's risk management and compliance framework; or
- iii. a Participant has brought the Company into serious disrepute or their actions cause the Company's reputation to be significantly damaged; or
- iv. a Participant's actions breach the Privacy Laws; or
- v. a Participant's actions breach any obligation regarding the disclosure of confidential information or restraint of trade provisions specified in an employment agreement,

then unless the Board determines in its absolute discretion otherwise:

vi. all unvested Performance Share Rights and Options for the Participant will lapse; and

vii. all vested but unexercised or Options for the Participant will lapse.

(b) Where, in the reasonable opinion of the Board, a Participant's Performance Share Rights vest, or may vest, or Options become exercisable as a result of the fraud, dishonesty or breach of obligations of another person and, in the reasonable opinion of the Board, the Performance Share Rights or Options would not otherwise have vested or become exercisable (as applicable), the Board may determine that the Performance Share Rights or Options have not vested or become exercisable (as applicable) and may, subject to applicable laws, determine:

- i. where Performance Share Rights have not vested or Shares have not been allocated upon vesting of Performance Share Rights, that the Performance Share Rights have not vested and reset the Performance Conditions applicable to the Performance Share Rights;
- ii. where the Options have not become exercisable or Shares have not been allocated upon exercise of the Option, that the Option has not become exercisable and reset the Performance Conditions applicable to the Options;
- iii. where Shares have been allocated upon vesting of Performance Share Rights or exercise of the Options, that the Shares are forfeited by the Participant and may, at the discretion of the Board, reissue any number of Performance Share Rights or Options to the Participant subject to new Performance Conditions in place of the forfeited Shares; or
- iv. any other treatment in relation to Performance Share Rights, Options or Shares to ensure no unfair benefit is obtained by a Participant as a result of such actions of another person.

12 ISSUE OF SHARES

12.1 Allocation of Shares

Subject to the Board's discretion under rule 9.3, subject to Applicable Laws, upon:

(a) vesting of Performance Share Rights or; or

(b) exercise of an Option,

the Company must issue to or procure the transfer to the Participant (or his or her personal representative) the number of Shares in respect of which Performance Share Rights have

vested, or Options have been exercised (as the case may be) and in so doing the Company is taken to have allocated or issued the Shares in accordance with these Rules.

12.2 Ranking of shares

Any Shares issued under the Plan upon vesting or exercise of a Performance Share Right or an Option will rank equally in all respects with other Shares of the Company for the time being on issue except as regards to any rights attaching to such Shares by reference to a record date prior to the date of their allotment.

13 RESTRICTION ON DEALING WITH SHARES

- (a) The Board may, at its discretion, subject to Applicable Laws, impose a restriction on Dealing with Restricted Shares and Shares allocated or issued on vesting of a Performance Share Right or exercise of an Option.
- (b) The Board must provide the Participant with details of any such restrictions in accordance with rule 3.2(i).
- (c) Restricted Shares and Shares allocated or issued on vesting of a Performance Share Right or exercise of an Option will be subject to restrictions under the Company's Securities Trading Policy (as amended from time to time).

14 RESTRICTED SHARES AND RESTRICTIONS

14.1 Offer of Restricted Shares

Subject to the Plan Rules and any Applicable Laws, the Board, in its absolute discretion, may on behalf of the Company make an Offer to an Eligible Participant to acquire Restricted Shares (separate to, and independent from, any Shares acquired under a Performance Share Right or Option), the specific terms of which will be contained in the Offer Letter.

14.2 Offer of Limited Recourse Loan Shares

- (a) Subject to the Plan Rules and any Applicable Laws, the Board, in its absolute discretion, may on behalf of the Company make an Offer to an Eligible Participant to acquire Limited Recourse Loan Shares (separate to, and independent from, any Shares acquired under a Performance Share Right or Option), which are Shares where some or all of the paid for the issue of a Share as stated in the Offer, is funded by way of Financial Assistance from the Company, the specific terms of which, (including any Performance Conditions) will be contained in the Offer Letter.
- (b) Limited Recourse Loan Shares are Restricted Shares until the Financial Assistance is discharged on the terms contained in the Offer Letter.

14.3 Restrictions held by Company over Restricted Shares

The issue or allocation of Restricted Shares in relation to an Offer may be subject to the following restrictions as determined by the Board and stated in the Offer Letter:

- (a) a Trading Restriction will apply for the duration of the Trading Restriction Period; and
- (b) a right by the Company to buy back or facilitate the transfer to a third party each of those Restricted Shares for an amount equal to the monies paid by the Participant to acquire the Shares pursuant to the Offer (subject to the requirements of ASIC and the ASX), which will be taken to discharge the Financial Assistance in the case of Limited Recourse Loan Shares.

14.4 Expiry of Restrictions over Restricted Shares

In respect of the issue of Restricted Shares in relation to an Offer, any restrictions applied in rule 14.3 will cease to apply to those Shares upon the earlier of:

- (a) a Takeover Event; or
- (b) the satisfaction of any conditions determined by the Board and stated in the Offer Letter pursuant to rules 14.1 and 14.2.

15 TAKEOVERS, COMPROMISES OR ARRANGEMENTS

If a Control Event occurs the Board may consider whether to, and may in its absolute discretion, subject to Applicable Laws, determine that all or a specified number of a Participant's Performance Share Rights or Options shall immediately vest and/or be exercisable (as the case may be) having regard to all relevant circumstances, including whether performance is in line with any applicable Performance Conditions.

- (a) If the Board determines in accordance with rule 15 that all or a specified number of Performance Share Rights or Options shall vest and/or be exercisable (as the case may be), the Company will immediately notify the Participant of that fact.
- (b) If only some, but not all, of a Participant's Performance Share Rights or Options vest, the remaining Performance Share Rights or Options will be immediately forfeited and the Participant is treated as having never held any right or interest in those Performance Share Rights or Options, unless the Board determines otherwise.
- (c) If the Board does not make any determination for the purposes of rule 15, a Participant's rights in relation to Performance Share Rights or Options will continue on the same terms as applied immediately prior to the relevant Control Event, unless the Board determines otherwise.

- (d) Unless the Board determines otherwise, where a Control Event occurs, all Trading Restrictions and Restrictions on Dealing with Shares imposed in accordance with rule 13 in respect of Shares obtained under this Plan (including those which are issued or allocated to the Participant as a result of the Participant's Performance Share Rights or Options vesting or being exercised in accordance with rule 15) or Restricted Shares will cease to have effect, and in the case of Limited Recourse Loan Shares the Financial Assistance will be taken to be discharged. The Board must as soon as practicable give written notice to each Participant of this fact.

16 ACQUISITION OF SHARES IN ACQUIRING COMPANY

If the Company is the subject of a Takeover Event or any other business arrangement by or with another company (Acquiring Company) to which the Board determines this rule applies, the Board may determine that if the Acquiring Company and the Participant agree, a Participant holding Performance Share Rights or Options may, upon vesting / exercise (as the case may be) of Performance Share Rights or Options, be provided with shares of the Acquiring Company or its parent in lieu of Shares, on substantially the same terms and subject to substantially the same conditions (with appropriate amendments) as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Performance Share Rights or Options.

17 RESTRICTIONS ON OFFERS

- (a) No grant, invitation or offer of Performance Share Rights, Options or Restricted Shares may be made under the Plan to an Eligible Participant and no Shares may be transferred or issued to an Eligible Participant under the Plan if any such action would contravene any Applicable Law or these Rules.
- (b) No grant, invitation or offer may be made under the Plan if the number of unissued Shares the subject of the grant, invitation or offer when aggregated with:
- i. the number of Shares which would be issued under each outstanding offer or invitation under the Plan with respect to Shares, units of Shares, Performance Share Rights, Restricted Shares and Options, being an offer made or option or right acquired pursuant to the Plan or any other employee share, option or rights plan extended only to employees or directors of the Company or an Associated Body Corporate of the Company to be accepted or exercised; and
 - ii. the number of Shares issued during the previous five years pursuant to the Plan or any other employee share, option or rights plan extended only to employees or directors of the Company or an Associated Body Corporate of the Company,

but disregarding any offer made, or option or right acquired or Share issued by way of or as a result of:

- iii. an offer to a person situated at the time of receipt of the offer outside Australia;
- iv. an offer that did not need disclosure to investors because of section 708 of the Corporations Act;
- v. an offer that did not require the giving of a Product Disclosure Statement because of section 1012D of the Corporations Act; or
- vi. an offer made under a disclosure document or Product Disclosure Statement,

would exceed 5% of the total number of issued Shares as at the time that the Performance Share Rights, Options or Restricted Shares the subject of the grant, invitation or offer are granted.

- (c) The Board may elect not to grant or issue Performance Share Rights, Options or Restricted Shares to an Eligible Participant who is resident outside of Australia if it determines that the grants or issues may be illegal or it would be impracticable to do so and the Board may formulate special terms and conditions, in addition to those set out in these Rules, to apply to Eligible Participants resident outside Australia.

18 ADMINISTRATION OF THE PLAN

18.1 Powers of the Board

The Board will administer the Plan and may:

- (a) determine any procedures it deems appropriate for the administration of the Plan consistent with the Plan Rules;
- (b) subject to the Listing Rules, waive or modify the application of these Rules in relation to any Participant or any proposed grant of Performance Share Rights, Options or Restricted Shares;
- (c) determine appropriate documentation and procedures for the administration of the Plan consistent with these Rules;
- (d) take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under the Plan
- (e) resolve conclusively all questions of fact or interpretation arising in connection with the Plan; and

- (f) delegate the exercise of any of its powers or discretions arising under the Plan to any such persons as it reasonable believes capable of performing those functions or exercising those powers.

18.2 Discretion

Except as otherwise expressly provided for in this Plan, and subject to Applicable Laws, the Board has absolute and unfettered discretion in the exercise of any of its powers or discretions pursuant to the Plan and to act or refrain from acting under or in connection with the Plan.

Any power or discretion which is conferred on the Board under this Plan may be exercised in the interests and for the benefit of the Company, and is not subject to any fiduciary or other obligation to any other person.

18.3 Disputes

If there is any dispute or disagreement as to the interpretation of the Plan, the decision of the Board is final and binding upon all persons.

18.4 Costs and expenses

Subject to the Plan Rules, the Company and its Subsidiaries must pay all costs, charges and expenses incurred in the administration of the Plan in the amounts and proportions as agreed (excluding any costs incurred by the Participant's disposal of Shares).

18.5 Tax

The Company is not responsible for any tax which may become payable by an Eligible Participant in connection with the offer, issue, transfer any other dealing by an Eligible Participant with the Shares and/or the vesting and/or exercise of the Performance Share Right or Options.

19 AMENDMENTS TO THE PLAN

19.1 Power of Board to amend Plan

Subject to rule 19.2, the Board may amend, add to, revoke or replace the Plan from time to time.

19.2 Restrictions on amendment

The Board may not amend the Plan if the amendment would materially reduce the rights of a Participant in respect of an Offer issued before the date of the amendment, unless the amendment is introduced primarily:

- (a) for the purpose of complying with any State or Commonwealth legislation that affects the Plan;
- (b) to correct a manifest error;
- (c) to address possible adverse tax implications arising from, amongst others:
 - i. a ruling of any relevant taxation authority;
 - ii. a change to tax legislation (including an official announcement by any relevant taxation authority); or
 - iii. changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction; or
- (d) to enable the Company to comply with its Constitution, the Corporations Act or other legislation or the Listing Rules.

19.3 Notice

As soon as reasonably practicable after making any amendment under this rule 19, the Board, by written notice, will inform each Participant affected.

20 TERMINATION OR SUSPENSION OF THE PLAN

20.1 Termination or suspension

The Board may terminate or suspend the operation of the Plan at any time.

20.2 Consequential action

Where the plan is terminated or suspended, the Board will determine the action to be taken in connection with the winding up or suspended operation of the Plan.

20.3 No Compensation

An Eligible Participant may not claim any compensation as a result of termination or suspension of the Plan.

21 CONNECTION WITH OTHER SCHEMES

21.1 Company may provide other incentives

The Company is not restricted to using the Plan as the only method of providing incentive rewards to employees. The Company may approve other incentive schemes.

21.2 Participation in other schemes

Participation in the Plan does not affect, and is not affected by, participation in any other incentive or scheme of the Company unless the terms of that incentive or scheme provides otherwise.

22 TERMS OF EMPLOYMENT NOT AFFECTED

22.1 Not part of contract of employment

Participation in the Plan does not in any way affect the rights and obligations of an Eligible Participant under the terms of his or her employment or arrangement.

22.2 Participant rights and obligations not affected

The terms of an Eligible Participant's employment or arrangement with the Company do not in any way affect the rights and obligations of an Eligible Participant under the Plan.

22.3 No right to compensation or damages

An Eligible Participant has no right to compensation or damages from the Company in respect of any loss of future rights under the Plan, as a consequence of termination of the Eligible Participant's employment or arrangement.

23 SEVERANCE

If any provision of these Plan Rules is void, voidable or unenforceable, that provision will be severed and the remainder of these Plan Rules will have full force and effect.

24 CONSTITUTION AND GOVERNING LAW

This Plan is:

- (a) subject to the Company's Constitution; and
- (b) governed by the laws in force in New South Wales.

25 ROUNDING

Any calculation of a number of Shares under the Plan is to be rounded down to the nearest whole number.

26 ADVICE

Eligible Participants and Participants should obtain their own independent advice at their own expense on the financial, taxation and other consequences for them in relation to participation in the Plan and accepting Offers of Shares under the Plan.

[INSERT LETTERHEAD OF THE COMPANY]

[Insert name of Participant]
[Insert address of Participant]

[Date]

Dear [Insert name of Participant]:

Confirmation of participation in the McGrath Equity Incentive Plan

We confirm your participation in the McGrath Equity Incentive Plan (the "Plan") of McGrath Holding Company Limited ("Company") on the terms which are enclosed in the attached:

- Offer Letter;
- Terms and Conditions of Offer (Schedule to Offer Letter); and
- Plan Rules.

Participation in the Plan seeks to align your interests with that of Company's shareholders by allowing you to share in the success and growth of the Company and encouraging you to drive for superior outcomes for shareholders. It is also an appropriate recognition of your performance over the past year.

You should obtain your own independent advice on the financial, taxation and other consequences for you in relation to participation in the Plan.

Your rights and obligations upon accepting this Offer are set out in the Plan (as amended from time to time). You should carefully read the copy of the Offer Letter, Terms and Conditions of Offer and Plan Rules prior to deciding whether to accept the Offer.

By accepting this Offer you will be deemed to have:

- read the provisions of the Offer Letter, Schedule to Offer Letter and Plan Rules; and
- be bound by the terms of the:
 - Plan Rules (as amended from time to time); and
 - Offer Letter incorporating the Schedule to Offer Letter dated [insert date of Offer Letter].

No action is required to accept this Offer.

If you do not wish to accept the Offer, you may reject/opt-out by notifying [relevant personnel] as soon as possible, and in any event by no later than [date]. If no notice of rejection is received by this time, you will be treated as having accepted the Offer and a valid, binding and enforceable agreement on the terms set out in the enclosed documents will be created between the Company and yourself. You should be aware that if you reject the Offer, you will not be offered alternative compensation in lieu.

* * * * *

Should you have any questions in regards to this Offer, please contact [our advisers on the following details]:

Phone: [●]

Email: [●]

Web: [●].

Yours sincerely

[Name]

[Position]

McGrath Holding Company Limited (ACN 608 153 779)

Offer to participate in the McGrath Equity Incentive Plan (“Offer Letter”)

McGrath Holding Company Limited (“Company”) invites you to be granted for the securities mentioned below and subject to the terms and conditions contained in this Offer and set out in the Schedule.

Grant of Performance Share Rights	
1. Your Invitation	You are invited to be granted [NUMBER] of Performance Share Rights
2. Key Dates Last date to submit rejection Grant Date Earliest possible date of vesting Expiry Date (date of lapse) # - Vesting is subject to satisfaction of the Performance Conditions (if any) and minimum vesting period and service requirements as set out in the Schedule	[_____] [_____] [_____] [_____]
3. Terms and Conditions of Offer	Set out in the Schedule
4. Taxation Advice and Other Independent Financial Advice	You should note that the taxation laws covering employee equity plans are complex and change from time to time. You should seek professional advice on the tax implications for you in your personal circumstances. This offer is not, and should not be construed as, a recommendation or advice from the Company or any person affiliated with the Company. Further, any advice given on behalf of the Company is general advice only and does not take into account your particular financial position or needs. You should consider obtaining your own financial or investment advice from an independent person who is appropriately licensed or qualified to give such advice. The Company's website (www.mcgrath.com.au) provides various shareholder information and services, such as financial statements and Annual Reports, and the ability to view the current market price of its shares.

5. Other Terms and Conditions of the Plan Rules	You should note that the enclosed Plan Rules also contain other provisions including provisions relating to: • the treatment of your Performance Share Rights in the event of a takeover, scheme of arrangement, compromise or winding up (Rule 15); • the prohibition of disposing of or Dealing with any Performance Share Right. If you dispose or Deal with a Performance Share Right that right will lapse, unless the Board determines otherwise (Rule 6); • in general, the Board's right, at any time, to amend the terms and conditions of the Offer or the Plan Rules in accordance with the Plan Rules (Rules 18.2 and 19); and • the application of the ASX Listing Rules meaning that: (a) in the event of a reorganisation of capital of the Company the terms and conditions of your Performance Share Rights will be changed to the extent necessary to comply with ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation; (b) the Company has determined that you will not have any participating rights or entitlements inherent in a Performance Share Right to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time unless and until that Performance Share Right has vested; and (a) if there is a bonus issue of Shares, the number of Shares which must be allocated on the vesting of a Performance Share Right increases by the number of Shares which you would have received if that Performance Share Right had vested before the record date for the bonus issue.
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6. General	You should read this letter (including Schedules for further information) and the enclosed Plan Rules which set out all the terms of grant of the Performance Share Rights. You should retain your copy of this documentation in a safe place for future reference. You are not obliged to participate and there will be no advantages or disadvantages to your employment whatever your decision. Participation in this Offer is a discretionary benefit which does not form any part of your remuneration for the purposes of calculating pay in lieu of notice of termination or any other entitlements or benefits. Participation in this Offer is separate from and does not affect or form part of the terms of your employment or arrangement with the Company. However, the grant of Performance Share Rights gives you the opportunity to become a prospective owner of equity in the Company. Your participation in this Offer does not automatically entitle you to participate in future offers under the Plan, or any other incentive plan operated by the Company. Eligibility to participate in future offers under the Plan is determined by the Board in its absolute discretion.
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IMPORTANT NOTE

This Offer and relevant documentation contains general advice only. It is also recommended that you obtain independent advice from your financial, taxation or other professional advisor regarding your participation in the Plan.

As with any investment, owning Shares carries risk including:

- the market price of Shares may fall, depending on factors such as the performance of the Company, the performance of the economy and general financial market conditions; and
- if the earnings of the Company fall, dividends may not occur as expected.

The Company will provide to you, within a reasonable period of your request, details of the current market price of Shares. Details of the Share price can also be found in daily newspapers or on the ASX website at www.asx.com.au.

Schedule

McGrath Holding Company Limited (ACN 608 153 779)

Term and Conditions of Offer to participate in the McGrath Equity Incentive Plan (“Schedule to Offer Letter”)

Grant of Performance Share Rights

1. Grant of Performance Share Rights

Unless you reject/opt out, the Company will allocate to you the number of Performance Share Rights set out in the Offer Letter, on the Grant Date.

Performance Share Rights will only be issued to you under this Offer if:

- (a) you are still employed by the Company on the Grant Date; and
- (b) you have not given notice of your resignation on or before the Grant Date; and
- (c) you have not been given a notice of termination of your employment on or before the Grant Date.

2. Performance Conditions for Performance Share Rights

Vesting period and service requirement

- (a) Your Performance Share Rights vest in [] tranches with each tranche being subject to a minimum vesting period of [] and [] years respectively.
- (b) Your Performance Share Rights are also subject to your continued service with the Company. Subject to the Plan Rules, your Performance Share Rights will only vest if you remain employed by the Company or have a contract with the Company as a Contractor on the [Number] anniversary of the Grant Date, (subject to satisfaction of the Performance Condition as outlined below).

Performance Conditions

Subject to the satisfaction of the minimum vesting period and service requirement above, all of your Performance Share Rights will vest upon:

- (a) [Insert Performance Conditions as determined by the Board at the relevant time for the particular Offer of Performance Share Rights];

3. Restrictions on Dealings

Performance Shares Rights

You are prohibited from entering into any arrangement including but not limited to any financial product which operates to limit the economic risk of any of your Performance Share Rights prior to vesting.

If you enter into any arrangement in breach of this prohibition, the Performance Share Rights, will lapse, unless the Board determines otherwise.

Shares

Shares acquired on the vesting of your Performance Share Rights are subject to the Company's normal Trading Restrictions and insider trading policies. During a Trading Restriction period or when you are in possession of insider information, you are prohibited from any dealing with the Shares vesting as a result of your Performance Share Rights.

4. Allocation of Shares on vesting

Performance Share Rights

Upon vesting, your Performance Share Rights do not need to be exercised and no exercise price is payable in respect of your Performance Share Rights. One Share will be allocated to you in respect of each vested Performance Share Right without any further action on your part.

5. Lapse of Performance Share Rights

In the event that any of your Performance Share Rights lapse, for any reason, prior to exercise no amount shall be payable to any person in respect of the lapse of such Performance Share Rights, as compensation, damages or otherwise.

McGrath Holding Company Limited (ACN 608 153 779)
McGrath Equity Incentive Plan (“Plan Rules”)

McGrath Holding Company Limited (ACN 608 153 779)

Offer to participate in the McGrath Equity Incentive Plan (“Offer Letter”)

McGrath Holding Company Limited (“Company”) invites you to be granted the securities mentioned below and subject to the terms and conditions contained in this Offer and set out in the Schedule.

Grant of Options	
1. Your Invitation	You are invited to be granted [NUMBER] of Options
2. Key Dates Last date to submit rejection Grant Date Earliest possible exercise dates# Expiry Date (date of lapse) # - Exercise is subject to satisfaction of the Performance Conditions (if any) and service requirements as set out in the Schedule	[_____] [_____] [_____] [_____]
3. Amount payable upon exercise of Options	[_____]
4. Terms and Conditions of Offer	Set out in the Schedule
5. Taxation Advice and Other Independent Financial Advice	You should note that the taxation laws covering employee equity plans are complex and change from time to time. You should seek professional advice on the tax implications for you in your personal circumstances. This offer is not, and should not be construed as, a recommendation or advice from the Company or any person affiliated with the Company. Further, any advice given on behalf of the Company is general advice only and does not take into account your particular financial position or needs. You should consider obtaining your own financial or investment advice from an independent person who is appropriately licensed or qualified to give such advice. The Company's website (www.mcgrath.com.au) provides various shareholder information and services, such as financial statements and Annual Reports, and the ability to view the current market price of its shares.

6. Other Terms and Conditions of the Plan Rules	You should note that the enclosed Plan Rules also contain other provisions including provisions relating to: • the treatment of your Options in the event of a takeover, scheme of arrangement, compromise or winding up (Rule 15); • the prohibition of disposing of or Dealing with any Options. If you dispose or Deal with an Option that right will lapse, unless the Board determines otherwise (Rule 6); • in general, the Board's right, at any time, to amend the terms and conditions of the Offer or the Plan Rules in accordance with the Plan Rules (Rules 18.2 and 19); and • the application of the ASX Listing Rules meaning that: (b) in the event of a reorganisation of capital of the Company the terms and conditions of your Options will be changed to the extent necessary to comply with ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation; and (c) the Company has determined that you will not have any participating rights or entitlements inherent in an Option to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time unless and until that Option is exercised; (d) if there is a pro rata issue of Shares (except a bonus issue), the Exercise Price of each Option reduces according to the formula in the ASX Listing Rules; and (e) if there is a bonus issue of Shares, the number of Shares over which an Option is exercisable increases by the number of Shares which you would have received if that Option had been exercised before the record date for the bonus issue.
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7. General	You should read this letter (including Schedules for further information) and the enclosed Plan Rules which set out all the terms of grant of the Options. You should retain your copy of this documentation in a safe place for future reference. You are not obliged to participate and there will be no advantages or disadvantages to your employment whatever your decision. Participation in this Offer is a discretionary benefit which does not form any part of your remuneration for the purposes of calculating pay in lieu of notice of termination or any other entitlements or benefits. Participation in this Offer is separate from and does not affect or form part of the terms of your employment or arrangement with the Company. However, the grant of Options gives you the opportunity to become a prospective owner of equity in the Company. Your participation in this Offer does not automatically entitle you to participate in future offers under the Plan, or any other incentive plan operated by the Company. Eligibility to participate in future offers under the Plan is determined by the Board in its absolute discretion.
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IMPORTANT NOTE

This Offer and relevant documentation contains general advice only. It is also recommended that you obtain independent advice from your financial, taxation or other professional advisor regarding your participation in the Plan.

As with any investment, owning Shares carries risk including:

- the market price of Shares may fall, depending on factors such as the performance of the Company, the performance of the economy and general financial market conditions; and
- if the earnings of the Company fall, dividends may not occur as expected.

The Company will provide to you, within a reasonable period of your request, details of the current market price of Shares. Details of the Share price can also be found in daily newspapers or on the ASX website at www.asx.com.au.

Schedule

McGrath Holding Company Limited (ACN 608 153 779)

Term and Conditions of Offer to participate in the McGrath Equity Incentive Plan (“Schedule to Offer Letter”)

Grant of Options

1. Grant of Options

Unless you reject/opt out, the Company will allocate to you the number of Options set out in the Offer Letter, on the Grant Date.

Options will only be issued to you under this Offer if:

- (a) you are still employed by the Company on the Grant Date; and
- (b) you have not given notice of your resignation on or before the Grant Date; and
- (c) you have not been given a notice of termination of your employment on or before the Grant Date.

2. Performance Conditions for Options

Minimum Vesting period and service requirement

- (a) Your Options are exercisable in [] tranches with each tranche being subject to a minimum period before exercise of [] and [] years respectively.
- (b) Your Options are also subject to your continued service with the Company. Subject to the Plan Rules, your Options will only become exercisable if you remain employed by the Company or have a contract with the Company as a Contractor on the [Number] anniversary of the Grant Date, (subject to satisfaction of the Performance Conditions as outlined below); and

Performance Conditions

Subject to the satisfaction of the minimum period before exercise and service requirement above, all of your Options will become exercisable upon:

- (a) [Insert Performance Conditions as determined by the Board at the relevant time for the particular Offer of Options];

3. Restrictions on Dealings

Options

You are prohibited from entering into any arrangement including but not limited to any financial product which operates to limit the economic risk of any of your Options prior to the Options being exercised.

If you enter into any arrangement in breach of this prohibition the Options, will lapse, unless the Board determines otherwise.

Shares

Shares acquired on the exercise of your Options are subject to Company's normal Trading Restrictions and insider trading policies. During a Trading Restriction period or when you are in possession of insider information, you are prohibited from any dealing with the Shares acquired as a result of the exercise of your Options.

4. Allocation of Shares on exercise and exercise period

Upon exercise of your exercisable Options and payment of the applicable Exercise Price, you will be allocated one fully paid share in the Company for each Option exercised.

The exercise period starts on the later to occur of:

- (a) the date the Performance Condition is met; and
- (b) the date the Options become exercisable,

and ends on the applicable Expiry Date.

5. Lapse of Options

In the event that any of your Options lapse, for any reason, prior to exercise no amount shall be payable to any person in respect of the lapse of such Options, as compensation, damages or otherwise.

McGrath Holding Company Limited (ACN 608 153 779)

McGrath Equity Incentive Plan (“Plan Rules”)

McGrath Holding Company Limited (ACN 608 153 779)

Offer to participate in the McGrath Equity Incentive Plan (“Offer Letter”)

McGrath Holding Company Limited (“Company”) invites you to be granted for the securities mentioned below and subject to the terms and conditions contained in this Offer and set out in the Schedule.

Grant of Limited Recourse Loan Shares	
1. Your Invitation	You are invited to be granted [NUMBER] of Limited Recourse Loan Shares at an issue price of [NUMBER].
2. Key Dates Last date to submit rejection Grant Date Earliest possible date of restrictions being lifted # - Lifting of restrictions is subject to satisfaction of the Performance Conditions (if any) and minimum service requirements as set out in the Schedule	[_____] [_____] [_____] [_____]
3. Terms and Conditions of Offer	Set out in the Schedule
4. Taxation Advice and Other Independent Financial Advice	You should note that the taxation laws covering employee equity plans are complex and change from time to time. You should seek professional advice on the tax implications for you in your personal circumstances. This offer is not, and should not be construed as, a recommendation or advice from the Company or any person affiliated with the Company. Further, any advice given on behalf of the Company is general advice only and does not take into account your particular financial position or needs. You should consider obtaining your own financial or investment advice from an independent person who is appropriately licensed or qualified to give such advice. The Company's website (www.mcgrath.com.au) provides various shareholder information and services, such as financial statements and Annual Reports, and the ability to view the current market price of its shares.
5. Other Terms and Conditions of the Plan Rules	You should note that the enclosed Plan Rules also contain other provisions relating to your Limited Recourse Loan Shares.

6. General	You should read this letter (including Schedules for further information) and the enclosed Plan Rules which set out all the terms of grant of the Limited Recourse Loan Shares. You should retain your copy of this documentation in a safe place for future reference. You are not obliged to participate and there will be no advantages or disadvantages to your employment whatever your decision. Participation in this Offer is a discretionary benefit which does not form any part of your remuneration for the purposes of calculating pay in lieu of notice of termination or any other entitlements or benefits. Participation in this Offer is separate from and does not affect or form part of the terms of your employment or arrangement with the Company. However, the grant of Restricted Shares gives you the opportunity to become a prospective owner of equity in the Company. Your participation in this Offer does not automatically entitle you to participate in future offers under the Plan, or any other incentive plan operated by the Company. Eligibility to participate in future offers under the Plan is determined by the Board in its absolute discretion.
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IMPORTANT NOTE

This Offer and relevant documentation contains general advice only. It is also recommended that you obtain independent advice from your financial, taxation or other professional advisor regarding your participation in the Plan.

As with any investment, owning Shares carries risk including:

- the market price of Shares may fall, depending on factors such as the performance of the Company, the performance of the economy and general financial market conditions; and
- if the earnings of the Company fall, dividends may not occur as expected.

The Company will provide to you, within a reasonable period of your request, details of the current market price of Shares. Details of the Share price can also be found in daily newspapers or on the ASX website at www.asx.com.au.

Schedule

McGrath Holding Company Limited (ACN 608 153 779)

Term and Conditions of Offer to participate in the McGrath Equity Incentive Plan ("Schedule to Offer Letter")

Grant of Limited Recourse Loan Shares

1. Grant of Limited Recourse Loan Shares

Unless you reject/opt out, the Company will allocate to you the number of Limited Recourse Loan Shares set out in the Offer Letter, on the Grant Date.

Limited Recourse Loan Shares will only be issued to you under this Offer if:

- (a) you are still employed by the Company or are a Contractor to the Company on the Grant Date; and
- (b) you have not given notice of your resignation or termination of your contract as a Contractor to the Company on or before the Grant Date; and
- (c) you have not been given a notice of termination of your employment or termination of your contract as a Contractor to the Company on or before the Grant Date.

The Company will provide a limited recourse loan to you on the grant date for the purpose of paying the issue price (**Loan**).

2. Performance Conditions for Limited Recourse Loan Shares

Service requirement

Your Limited Recourse Loan Shares are subject to your continued service with the Company. Subject to the Plan Rules, the restrictions on your Limited Recourse Loan Shares will be lifted, and the Loan discharged if you remain employed by the Company or have a contract with the Company as a Contractor on the [Number] anniversary of the Grant Date, (subject to satisfaction of the Performance Condition as outlined below).

Performance Conditions

Subject to the satisfaction of the service requirement above, all of the restrictions on your Limited Recourse Loan Shares will be lifted upon:

- (a) [Insert Performance Conditions as determined by the Board at the relevant time for the particular Offer of Limited Recourse Loan Shares];

3. Restrictions on Dealings

Limited Recourse Loan Shares

Limited Recourse Loan Shares are subject to the Company's normal Trading Restrictions and insider trading policies. During a Trading Restriction period or when you are in possession of insider information, you are prohibited from any dealing with the Shares.

McGrath Holding Company Limited (ACN 608 153 779)

McGrath Equity Incentive Plan (“Plan Rules”)