

3 March 2021

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Dear Sir/Madam

Magontec Limited (MGL): Short and Long-Term Incentive Remuneration Plan for Global Management Group (STI/LTI)

At its meeting on 23 February 2021 the Board addressed a legal anomaly in the current rules applying to the STI/LTI.

Prior to this meeting, paragraph ii d ii of the STI/LTI rules (under the heading “Nature of and Conditions Attaching to Performance Rights”) provided that Performance Rights –

“.....in the event of a takeover (being the acquisition of control over the voting shares) of the Company, fully vest immediately by conversion into ordinary shares as per the formula in paragraph p....”

The term “acquisition of control” is legally achieved upon settlement of the sale of shares to the incoming owner. This means that legally, Eligible Executives will not have their Performance Rights vest as shares until after the new owner has acquired control. This is an inappropriate and unintended timing of vesting. The commercial intention of the rule was that Eligible Executives would have legal title to the shares by the time settlement of sale of the shares to the new owner takes place.

To correct this unintended legal anomaly the Board resolved at its meeting on 23 February 2021 that paragraph ii d ii of the STI/LTI rules be amended as follows –

“.....in the event ~~of a takeover~~ **the Board of the Company accepts a takeover offer** (being **an offer for the acquisition of control over the voting shares) of the Company and recommends to shareholders that the offer be accepted**, fully vest immediately **upon dissemination of that recommendation (deemed for the purpose of this paragraph to be the date of the takeover offer)** by conversion into ordinary shares as per the formula in paragraph p....”

Consistent with the resolution, the word “takeover” in paragraph 3ii p is amended to “takeover offer”.

The STI/LTI rules so amended may be viewed at <http://magontec.com/wp-content/uploads/2021/03/Magontec-Limited-STI-LTI-Governing-Documents-2020-SH-Approved-Plan-Per-Brd-Meeting-23-Feb-2021.pdf>

Yours sincerely,



Signatory, Nicholas Andrews, Executive Chairman of Magontec Limited has authorised the release of this document to the market on 3 March 2021