



EXPERIENCE
BETTER

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ASX ANNOUNCEMENT

PERFORMANCE RIGHTS

17 December 2021

Sydney, Australia: SHAPE Australia Corporation Limited ACN 654 729 352 (**Company**) provides the following information to satisfy the conditions of ASX's decision that the performance rights granted by the Company (**Performance Rights**) are appropriate and equitable for the purposes of ASX Listing Rule 6.1.

Capitalised terms used in this announcement not otherwise defined herein have the meaning given to them in the Company's prospectus dated 10 November 2021 (**Prospectus**).

1. Performance Rights

The Company has granted 3,286,949 Performance Rights to various employees of the Company on the following basis:

Recipient	Title	Number of Performance Rights
Phillip Wicks	General Manager – NSW	278,223
Glen Thompson	General Manager – Property	86,423
Michael Manikas	General Manager – DLG SHAPE	92,309
James Fitzgerald	Senior Commercial Manager	129,483
Kate Evans	Group Executive – People, Brand and Communications	237,118
Scott Jamieson	Chief Financial Officer	313,525
Peter Marix-Evans	Chief Executive Officer	688,353
Nicholas Mills	Regional Manager – NT	98,060
Phillip Smith	Group Executive – Environmental, Health, Safety & Quality	201,915
Tom Sparkes	General Manager – ACT	181,757
Grant Patterson	General Manager – SA, NT	241,871
Adam Head	General Manager – VIC	243,969
Cameron Aitken	Senior Commercial Manager	117,272
George Panacheril	Group Executive – Strategy	155,981
Damian La Rosa	General Manager – WA	220,690

2. Directors and Key Management Personnel

Peter Marix-Evans, the Company's Chief Executive Officer, has been granted 688,353 Performance Rights as part of his remuneration for performing various roles and functions in his capacity as Company Director. In addition to these Performance Rights, Peter Marix-Evans holds 240,903 Shares (for which \$462,102.00 was provided as consideration). Peter Marix-Evans' wife, Jodie Marix-Evans, holds 1,069,539 Shares in the Company for which \$315,843.00 was provided as consideration.

Scott Jamieson, the Company's Chief Financial Officer, has been granted 313,525 Performance Rights as part of his remuneration for performing various roles and functions in his capacity as Company Secretary. In addition to these Performance Rights, Scott Jamieson holds 109,871 Shares (for which \$210,755.00 was provided as consideration). Scott Jamieson's wife, Karen Jamieson, holds 1,516,288 shares in the Company, for which \$471,762.00 was provided as consideration.

Both Peter Marix-Evans and Scott Jamieson held equivalent performance rights prior to Listing which are being cancelled in exchange for the grant of these new Performance Rights. The relevant Performance Rights were granted to Peter Marix-Evans and Scott Jamieson to remunerate and incentivise them.

Their respective remuneration packages are outlined below:

	Remuneration	Benefits	Incentive Plans
P Marix-Evans	\$784,400.00 per annum (inclusive of superannuation) Peter does not otherwise receive any director's fee for his services to the Group	Peter is not entitled to any additional remuneration for any required travel in performance of his duties, but the expenses of such travel, including accommodation and meals, will either be paid for, or reimbursed, by SHAPE Australia.	Peter is entitled to participate in the Group's short term incentive scheme. In respect of the short term incentive scheme for the financial year ending 30 June 2022, Peter is entitled to earn a bonus of up to \$588,375 (inclusive of superannuation), depending on the financial performance of the Group as at the end of that financial year. Peter is eligible to participate in ESAP and SELTI.
S Jamieson	\$475,000 per annum (inclusive of superannuation)	SHAPE Australia will provide Scott with various equipment to enable him to perform his role (e.g. a laptop, a mobile phone, a wireless internet access card). In addition, Scott will be reimbursed any reasonable business expenses he incurs in the course of his employment.	Scott is entitled to participate in the Group's short term incentive scheme. In respect of the short term incentive scheme for the financial year ending 30 June 2022, Scott is entitled to earn a bonus of up to \$285,000 (inclusive of superannuation), depending on the financial performance of the Group as at the end of that financial year. Scott is eligible to participate in ESAP and SELTI.

The issuing of performance rights is a recognised practice in Australia as part of the remuneration of senior executives. If no performance rights were issued, the cash remuneration of Peter Marix-Evans and Scott Jamieson may have to be increased. Issuing performance rights is accordingly considered a preferable alternative as the recipient benefits if the Company's earnings per share increase (in which case all Shareholders benefit). If, however, the Company's earnings per share do not exceed the predetermined growth targets during the assessment period, the performance rights will lapse and no benefit will be

provided. This part of Peter Marix-Evans and Scott Jamieson's remuneration is therefore directly related to the longer-term improved performance of the Company.

The Company engaged a third-party consultant to determine the appropriate distribution of Performance Rights. The Company relies on the benchmarking produced by the experienced consultant and deems the independent nature of the assessment to render the calculations both equitable and appropriate.

3. Impact on capital structure

If the applicable performance milestones are met and assuming that the Company issues Shares to the recipient (as opposed to acquiring Shares on market) and that the Company has not issued further Shares between the date of this announcement and the conversion date, the conversion of the Performance Rights into Shares will increase the number of Shares on issue from 83,241,085 to 86,528,034 (an increase of 3.95%).

4. Terms of Performance Rights

The performance milestones for the Performance Rights will be determined by reference to compound annual net profit growth (Profit before Income Tax and Employee Profit Share as shown in the Group's accounts) between the base year (year prior to commencement of the measurement period) and the final year of the measurement period and applying the following scale:

Performance Level	Standard of Performance: Compound Annual Growth Rate for Net Profit Growth over Measurement Period	Vesting % of Tranche
Stretch	≥12.00%	100%
Between Target & Stretch	> 8.00% & < 12.00%	Pro-rata
Target	8.00%	50%
Between Threshold & Target	> 5.00% & < 8.00%	Pro-rata
Threshold	5.00%	25%
Below Threshold	< 5.00%	0%

The value, if any, of the Performance Rights to be granted depend on the financial performance of the Group over a 3 year measurement period. If minimum threshold growth of net profit before income tax and employee profit share (5% Compound Annual Growth – see above table) is not achieved over the relevant 3 year measurement period, that tranche of Performance Rights has no value.

Otherwise, the terms of these Performance Rights are set out in the Company's Senior Executive Long Term Incentive Plan (which was released to ASX on 16 December 2021).

The Company confirms:

- The Performance Rights are not quoted.
- The Performance Rights are not transferrable.
- The Performance Rights do not confer any right to vote, except as otherwise required by law.
- The Performance Rights do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues
- The Performance Rights do not carry an entitlement to a dividend
- The Performance Rights do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- The Performance Rights do not carry an entitlement to participate in the surplus profit or asset of the Company upon winding up of the Company.

- Each Performance Rights is converted into one fully paid ordinary share on achievement of the relevant milestone.
- If the relevant class of Performance Rights is not converted into a share by the relevant expiry date, then all the Performance Rights of that class lapse.

This announcement was authorised by Rebecca Weir, Company Secretary.

For further information:

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Company Secretary

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