

ASX Announcement

28 November 2017

Grant of Performance Rights

Austock Group Limited (**ASX: ACK**) (“**Company**”) announces that it has granted 351,783 Performance Rights to Eligible Participants under the Austock Group Rights Plan (Plan), the principal terms of which are as follows:

<p>Plan overview</p>	<p>The board of directors of the Company (Board) may from time to time at its absolute discretion grant Performance Rights to any employee or contractor of the Company or its related bodies corporate that the Board determines eligible to participate in the Plan (Eligible Participant).</p> <p>A Performance Right confers on the holder an entitlement, upon vesting and exercise, to the value of a fully paid ordinary share in the Company (Share) which may be settled in the form of a Share or in cash at the discretion of the Board.</p> <p>Performance Rights are not quoted securities and do not carry a right to vote or to receive dividends.</p> <p>The purpose of the Plan is to link a component of a participant’s remuneration to Company performance and to act as an attraction and retention strategy for key employees.</p>
<p>2017 Performance Rights (FY18 LTI)</p>	<p>The Performance Rights were granted on 27 November 2017 for nil consideration. They automatically vest and exercise for nil consideration on satisfaction of the Vesting Conditions, subject to the Board’s discretion to determine otherwise in certain circumstances.</p> <p>The Vesting Conditions are the Company having achieved the indexed total shareholder return (iTSR) target and the funds under management growth (FUMG) target over a measurement period of three years ending on 30 June 2020. A range of performance levels have been stipulated so that only a portion of the Performance Rights may vest unless the upper level or stretch target is achieved.</p> <p>The iTSR target will apply to 25% of the Performance Rights issued to a holder (tranche 1). The vesting of tranche 1 will be determined by comparing the Company’s total shareholder return over the measurement period with the movement in the small industrials total return index over the measurement period. The total shareholder return at the end of the measurement period must be positive in order for tranche 1 to vest.</p> <p>The FUMG target will apply to the other 75% of the Performance Rights issued to a holder (tranche 2). The vesting of tranche 2 will be determined by the compound annual growth rate in funds under management during the measurement period.</p> <p>Further details will be included in the Company’s 2018 Financial Report. Shareholder approval will not be obtained to the grant of these Performance Rights.</p>

Dealing / disposal restrictions	Performance Rights may not be disposed of or otherwise dealt with.
Termination of employment	Unvested Performance Rights held at the date of termination and granted in the financial year of termination will be forfeited in the proportion that the remainder of the financial year following the termination bears to the full financial year. All other unvested Performance Rights will be retained for possible vesting at the end of the measurement period according to whether the Vesting Conditions are satisfied.
Change of control	<p>Unless otherwise determined by the Board, in the event of a change of control, including a takeover, the Vesting Conditions will cease to apply and all unvested Performance Rights granted in the financial year of the change of control event will lapse in the proportion that the remainder of the financial year bears to the full financial year. All remaining unvested Performance Rights will vest in accordance with the application of the following formula (with negative results to be taken as nil):</p> <p>Number of Performance Rights to vest equals unvested Performance Rights multiplied by (share price at the change of control minus share price at commencement of measurement period) divided by share price at commencement of measurement period.</p>

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