

20 December 2023

Company Announcements  
Australian Securities Exchange Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000  
AUSTRALIA

Dear Sir / Madam

**RE: ISSUE OF PERFORMANCE RIGHTS**

Engineering company Monadelphous Group Limited (ASX: MND) (“the Company”) has issued 198,521 Performance Rights under the Company’s newly established Long-Term Senior Leadership Performance Reward Plan which is subject to (and issued under) the existing Monadelphous Group Limited Performance Rights Plan Rules.

The Company has recently undertaken a review of the structure of its long-term leadership reward programs. The review resulted in the development of the Monadelphous Group Limited Long-Term Senior Leadership Performance Reward Plan (“LTPR Plan”), which replaces the Monadelphous Group Limited Employee Option Plan as the Company’s primary long-term employee equity plan. The Monadelphous Group Limited Employee Option Plan will be maintained for future use as appropriate.

The purpose of the LTPR Plan is to retain and reward members of the Monadelphous senior leadership team in a manner aligned to the creation of long-term shareholder wealth. It is expected that awards (under the LTPR Plan) will be made on an annual basis, with the quantum and timing of the awards, and the vesting criteria, to be determined by the Board. Participation in the LTPR Plan is limited to the senior leadership of the business, being those responsible for the development and management of the strategic direction of the Company.

Issues of Performance Rights under the LTPR Plan will vest three years after grant, subject to the satisfaction of an Earnings Per Share growth performance hurdle and a continued employment vesting condition, for the period from grant to vest. A summary of the key terms of the Performance Rights is attached.

The Performance Rights were issued to approximately 30 employees under the Company’s ASX listing rule 7.1 capacity and shareholder approval was not sought (although the Company may seek ratification of the issue in the future). A further 34,440 Performance Rights have been offered to the Company’s Managing Director, Zoran Bebic, with the issue being subject to shareholder approval under ASX listing rule 10.14 at the Company’s 2024 Annual General Meeting.

An Appendix 3G will be released to the ASX following this announcement.

Authorised by



Philip Trueman  
**Company Secretary**

**Monadelphous Group Limited** 59 Albany Highway, Victoria Park, WA 6100 | PO Box 600, Victoria Park, WA 6979  
T: +61 8 9316 1255 | F: +61 8 9316 1950 | E: monadel@monadel.com.au | ABN 28 008 988 547

## MONADELPHOUS GROUP LIMITED LONG-TERM SENIOR LEADERSHIP PERFORMANCE REWARD PLAN

Set out below is a summary of the key terms of the Performance Rights issued under the Long-Term Senior Leadership Performance Reward Plan pursuant to the Monadelphous Group Limited Performance Rights Plan Rules (“Rules”).

<b>Eligible Participants and Invitations</b>	The Board may from time to time determine that an “Eligible Participant” may participate in the Long-Term Senior Leadership Performance Reward Plan. It is intended that these will be members of the Senior Leadership Team.
<b>Nominated Person</b>	<p>The Eligible Participant may renounce their Performance Rights in favour of one of the following persons (“Nominated Person”):</p> <ul style="list-style-type: none"> <li>a) a body corporate controlled by the Eligible Participant or the Eligible Participant’s spouse or child; or</li> <li>b) a body corporate that is the trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993 (Cth)) where the Eligible Participant is a director of the body corporate.</li> </ul> <p>In each case, the Company may refuse an election to renounce an offer to a Nominated Person at its sole and absolute discretion.</p>
<b>Nature of Performance Rights</b>	<p>Each Performance Right represents a right to receive one ordinary share in the capital of the Company, subject to the terms and conditions of the Invitation Letter and the Rules.</p> <p>Prior to a Performance Right vesting, a participant is not entitled to:</p> <ul style="list-style-type: none"> <li>a) notice of, or to vote at or attend, a meeting of the shareholders of the Company;</li> <li>b) receive any dividends declared by the Company;</li> <li>c) receive a return of capital from the Company, whether in a winding up, upon a reduction of capital or otherwise; or</li> <li>d) participate in the surplus profits or assets of the Company upon a winding up of the Company,</li> </ul> <p>by virtue of holding a Performance Right.</p>
<b>Fee</b>	No fee is payable upon the grant of Performance Rights.
<b>Exercise Price</b>	No exercise price is payable upon the exercise of Performance Rights.

<b>Vesting Determination Date</b>	<p>Subject to the satisfaction of the Performance Hurdles and Vesting Condition, up to 100 per cent of the Performance Rights may vest. The Board will determine whether the Performance Rights have vested three years following the Grant Date (“Vesting Determination Date”), which, for the current issue, is expected to be in or around December 2026. Performance Rights will expire 1 month after the Vesting Determination Date (“Expiry Date”) or such other date that the Board determines.</p>
<b>Performance Hurdles</b>	<p>Vesting of Performance Rights will be subject to satisfaction of the following performance hurdles:</p> <ol style="list-style-type: none"> <li>a) no Performance Rights shall vest where, over the Measurement Period, the Company has experienced EPS Growth which is less than Base Growth (4% per annum compounded);</li> <li>b) all Performance Rights shall vest where, over the Measurement Period, the Company has experienced EPS Growth which is equal to, or greater than, the Target Growth (8% per annum compounded); and</li> <li>c) if the Company has experienced EPS Growth of at least Base Growth but less than Target Growth, then a portion of the Performance Rights shall vest on the following basis: <ol style="list-style-type: none"> <li>i) at EPS Growth equal to Base Growth, 50% of the Performance Rights shall vest; and</li> <li>ii) for EPS Growth higher than Base Growth but lower than Target Growth, a pro-rata proportion of Performance Rights shall vest which proportion between 50% and 100% is to be determined on a straight-line basis based on annualised compound EPS Growth (such that, by way of example, at an EPS Growth rate (on an annualised compound basis) equivalent to 6% per annum, 75% of the Performance Rights will vest).</li> </ol> </li> </ol> <p>In other words, and for the purposes of clarification, it is the intention of the Company that Participants only be entitled to exercise Performance Rights where the Company’s EPS is growing at a rate of at least 4% per annum compounded on average over the Measurement Period (i.e. Base Growth).</p> <p>Any Performance Rights that do not vest as a result of the Performance Hurdles not being satisfied will (unless the Board otherwise determines) lapse.</p> <p>The following terms have the meanings ascribed to them below.</p> <p>“Base Growth” means growth of 4% per annum compounded over the Measurement Period. For example, a Measurement Period of 3 years would result in Base Growth of 12.49%.</p> <p>“Calculation Date” means the most recently passed 30 June (by reference to the Company’s results for the year to that 30 June), immediately prior to the Vesting Determination Date (or such other date as the Board determines).</p>

	<p>“EPS” means undiluted earnings per Share, as determined by the Board (in its absolute discretion), on the basis of consolidated net profit of the Company after tax attributable to equity holders of the parent (excluding unusual or abnormal items) divided by the weighted average number of issued Shares for that relevant period.</p> <p>“EPS Growth” means the amount (expressed as a percentage, and rounded to two decimal places) by which EPS as at the Calculation Date exceeds EPS at the Start Date, as determined by the Board (in its absolute discretion).</p> <p>“Grant Date” means the date Performance Rights are issued to the first relevant Participant in respect of a particular grant. This will usually be the date Performance Rights are issued to the participant. However, and to ensure consistency, the Grant Date will be applied uniformly for all participants in respect of a particular grant and will be deemed to be the date Performance Rights are issued to the first relevant participant in respect of a particular grant even if Performance Rights were issued on a later date (for example, due to a shareholder approval requirement under the ASX Listing Rules for the issue of Performance Rights or if the participant is otherwise issued Performance Rights on a different date).</p> <p>“Measurement Period” means the period from the Start Date to the Calculation Date (or such other period as the Board determines).</p> <p>“Start Date” means the most recently passed 1 July (by reference to the Company’s results for the preceding year to 30 June), immediately prior to the Grant Date of the relevant Performance Rights (or such other date as the Board determines).</p> <p>“Target Growth” means growth of 8% per annum compounded over the Measurement Period. For example, a Measurement Period of 3 years would result in Target Growth of 25.97%.</p>
<p><b>Vesting Condition</b></p>	<p>Performance Rights will be subject to a vesting condition of the Eligible Participant being continuously employed or holding office continually by or with one or more members of the Group during the period from the grant date to the Vesting Determination Date.</p> <p>If the vesting condition is not satisfied, then all Performance Rights will lapse (unless the Board determines otherwise).</p>
<p><b>Automatic Exercise of Vested Performance Rights</b></p>	<p>Performance Rights will be automatically exercised into Shares on vesting and the participant will be deemed to have automatically exercised the Performance Rights on the day on which the Company gives the participant a vesting notice. The participant will receive one Share per vested Performance Right as soon as practicable following vesting.</p>

<b>Forfeiture of Performance Rights</b>	<p>If a participant becomes a “Good Leaver”, the Board will allow the participant to retain unvested Performance Rights only to the extent determined by the Board in its absolute discretion. All other unvested Performance Rights will be forfeited.</p> <p>If a participant becomes a “Bad Leaver”, all Performance Rights will be forfeited, subject to any alternative determination by the Board in its absolute discretion.</p> <p>Unless otherwise determined by the Board, Performance Rights will also be forfeited if:</p> <ul style="list-style-type: none"> <li>a) the Board determines (acting reasonably and in good faith) that any applicable Performance Hurdles or the Vesting Condition relevant to the Performance Rights have not been met or cannot be met by the relevant date;</li> <li>b) the participant acts fraudulently or dishonestly; or</li> <li>c) the participant becomes insolvent/bankrupt.</li> </ul>
<b>Employee Share Trust</b>	<p>Unless the Board determines otherwise, any resulting shares issued and/or transferred to the participant as a result of the vesting and automatic exercise of Performance Rights will be required to be held via the Monadelphous Group Limited Employee Share Trust (“Trust”) under the terms of the Monadelphous Group Limited Employee Share Trust Deed.</p> <p>The trustee of the Trust is a third party provider of trustee services, CPU Share Plans Pty Limited.</p> <p>Once Performance Rights have vested and resulting shares are being held by the trustee, the trustee will pass on dividends received to the underlying shareholder and the underlying shareholder can direct the trustee how to vote those shares.</p>

<p><b>Change of Control Event</b></p>	<p>Notwithstanding any other provisions of the Rules, if a Change of Control Event occurs, or the Board determines that such an event is likely to occur, the Board may determine the manner in which Performance Rights will be dealt with, including, without limitation, in a manner that allows the participant to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.</p> <p>A Change of Control Event means:</p> <ul style="list-style-type: none"> <li>a) a change in control of the Company;</li> <li>b) where Shareholders approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its associates) owning more than fifty per cent (50%) of the issued capital of the Company;</li> <li>c) where a person becomes the legal or the beneficial owner of, or has a relevant interest in, more than fifty per cent (50%) of the issued capital of the Company;</li> <li>d) where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of the issued capital of the Company;</li> <li>e) where a takeover bid is made to acquire more than fifty per cent (50%) of the issued capital (or such lesser number of shares that when combined with the shares that the bidder (together with its associates) already owns will amount to more than 50% of the issued capital of the Company) and the takeover bid becomes unconditional and the bidder (together with its associates) has a Relevant Interest in more than 50% of the issued capital of the Company;</li> <li>f) a resolution is passed for the voluntary winding-up of the Company;</li> <li>g) an order is made for the compulsory winding up of the Company; or</li> <li>h) any other event determined by the Board in good faith to constitute a "Change of Control Event" for the purposes of the Rules, but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Group.</li> </ul>
<p><b>Adjustment of Rights</b></p>	<p><b>Reorganisation</b></p> <p>If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital), the rights of a holder of Performance Rights (including the number of Performance Rights to which each participant is entitled or the exercise price (if any)), will be adjusted in the manner specified by the ASX Listing Rules to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.</p>

	<p><b>Bonus Issue</b> If Shares are issued by the Company pro rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Performance Rights is entitled, upon exercise of the Performance Rights, to receive, in addition to the Shares in respect of which the Performance Rights are exercised and without the payment of any further consideration, an issue of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Performance Rights are exercised.</p> <p><b>Rights Issue</b> A holder of Performance Rights does not (in respect of their Performance Rights) have the right to participate in a pro rata issue of Shares made by the Company or to receive or sell renounceable rights.</p> <p><b>No other participation</b> Subject to the above, during the currency of any Performance Rights and prior to their exercise, the holders of Performance Rights are not entitled to participate in any new issue of securities of the Company as a result of their holding of Performance Rights.</p>
<b>Clawback</b>	<p>The Board will have the discretion to clawback (i.e. to cause to be forfeited) unvested Performance Rights if the Board deems it inappropriate for the Performance Rights to vest including where:</p> <ul style="list-style-type: none"> <li>a) the participant acts fraudulently or dishonestly;</li> <li>b) the participant otherwise acts in a manner that causes damage to the Company's reputation;</li> <li>c) the Board becomes aware of a material and adverse misstatement or omission in the financial statements of the Group or any member of the Group;</li> <li>d) the Company suffers significant financial underperformance; or</li> <li>e) there is negligence, lack of compliance or significant personal underperformance on the participant's part.</li> </ul>
<b>Board Discretion and Administration</b>	<p>The Board is responsible for administering the Long-Term Senior Leadership Performance Reward Plan and may amend any provisions of the Rules, including the terms and conditions upon which any Performance Rights have been granted and determine that any amendments to the Rules be given retrospective, immediate or future effect.</p>
<b>Duration</b>	<p>The Long-Term Senior Leadership Performance Reward Plan continues in operation until the Board determines otherwise.</p> <p>The Board may from time to time suspend the operation of the Long-Term Senior Leadership Performance Reward Plan at its discretion.</p>

## Further Information

### Analysts/Investors

Kristy Glasgow

Investor Relations

T +61 8 9316 6386

M +61 403 781 909

[Investor\\_relations@monadel.com.au](mailto:Investor_relations@monadel.com.au)

### Media

Ella McCarthy

Group Manager - Marketing and Communications

T +61 8 6311 1018

M +61 401 404 874

[EMcCarthy@monadel.com.au](mailto:EMcCarthy@monadel.com.au)

## About Monadelphous

*With over 50 years of experience, Monadelphous Group Limited (ASX: MND) is a leading Australian engineering group providing construction, maintenance and industrial services to the resources, energy and infrastructure sectors. The Company has two operating divisions – Engineering Construction, providing large-scale multidisciplinary project management and construction services, and Maintenance and Industrial Services, specialising in the planning, management and execution of mechanical and electrical maintenance services, shutdowns, fixed plant maintenance services and sustaining capital works.*

*Monadelphous is headquartered in Perth, Western Australia, with a major office in Brisbane, Queensland, and offices, projects, facilities and workshops across Australia and in China, Mongolia, Papua New Guinea and the Philippines. Please visit [www.monadelphous.com.au](http://www.monadelphous.com.au) for further information.*