

EVOLVE EDUCATION GROUP LIMITED

16th December, 2016

NOTIFICATION OF LONG TERM INCENTIVE PLAN

In accordance with NZX Listing Rule 7.12.1, Evolve Education Group Limited (*Evolve*) advises that it has adopted a Long Term Incentive Plan (*the LTI Plan*). The LTI Plan has been approved by the Evolve Board and has been established to:

- Attract, motivate and retain eligible employees;
- Better align the interests of eligible employees and Evolve;
- Add value to Evolve and its shareholders through motivating eligible employees; and
- Allow eligible employees to share in the success of Evolve.

The number of Share Rights that may be granted under the LTI Plan in any 12-month period is restricted in aggregate to 3% of the total issued capital of Evolve at the commencement of that period, unless prior shareholder approval is obtained.

Contact

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ISSUE OF SHARE RIGHTS UNDER BOARD APPROVED LTI PLAN

In accordance with NZX Listing Rule 7.12.1, Evolve Education Group Limited (*Evolve*) advises that it has issued 296,767 Share Rights (SRs) for no consideration as an initial grant under its Long Term Incentive Plan (*the LTI Plan*). The SRs were issued with an effective issue date of 16th December, 2016.

Each SR issued for the first award under the LTI Plan gives the right to receive one ordinary share in Evolve, subject to the holder remaining employed by Evolve until the end of the vesting period and achievement of the Exercise Hurdles.

The number of SRs has been calculated based on the 10-day Volume Weighted Average Price of Evolve shares on the NZX immediately prior to the issue date.

The number of SRs that will vest and be exercisable depends on achievement of the Exercise Hurdles.

There are two Exercise Hurdles:

- (a) Evolve's Total Shareholder Return (TSR) over a Performance Period of three years from the issue date must have increased by an amount equal to 8% per annum (compounded annually) for the Performance Period; and
- (b) Evolve's TSR over the period must be greater than or equal to the 50th percentile/median of the TSRs of an Index Group (comprising the NZX 50 index companies from time to time) for the Performance Period.

The number of SRs that vest increases progressively from 50% to 100% as follows:

- (a) If Evolve's TSR equals the 50th percentile of the TSRs of the Index Group, 50% of the SRs become vested as eligible share rights;
- (b) If Evolve's TSR is greater than the 50th percentile but less than the 75th percentile of the TSRs of the Index Group, then further SRs vest in accordance with a progressive scale;
- (c) If Evolve's TSR equals or exceeds the 75th percentile of the TSRs of the Index Group, 100% of the SRs become vested as eligible share rights;

In connection with the issue, Evolve advises the following details:


(a) Class of security and ISIN:	Share Rights – ISIN: N/A
(b) Number of Share Rights issued:	296,767
(c) Issue Price:	Nil
(d) Payment in cash:	Nil

(e) Amount paid out:	Not applicable.
(f) Principal terms:	See text above. (Vesting Date: 16 th December 2019)
(g) Percentage of total class of securities:	100% (of Share Rights on issue)
(h) Reason for issue:	Issued under the Evolve LTI Plan.
(i) Specific authority for issue:	Directors' Resolution.
(j) Terms or details of issue:	Issued under the Evolve LTI Plan.
(k) Total number of securities of the class after issue:	296,767
(l) Treasury stock:	Not applicable.
(m) Date of issue:	16 th December, 2016

Contact

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