

## ASX Release

29 May 2019

### Establishment of Performance Rights Plan and Planned Grants

The Board of CommsChoice Group Limited ("CommsChoice") has approved the establishment of a long-term incentive scheme in the form of a Performance Rights Plan to incentivise and retain key executives and Directors.

Key Terms of the Performance Rights ("Rights") Plan:

- Participants are granted a 'right' to acquire an ordinary share in CommsChoice at no cost i.e. effectively a share option with an exercise price set at zero.
- Performance Rights will vest provided the employee remains in continuous employment with CommsChoice until the date of vesting (and certain performance conditions are satisfied). Employees generally forfeit Rights if they cease employment with CommsChoice before the date of vesting.
- The employee can choose to 'exercise' Performance Rights and acquire the underlying shares in CommsChoice at any time between the date of vesting and expiry of the term of the Rights.
- A 'normal' leaver (i.e. not a special circumstances leaver e.g. due to retirement) will retain vested Performance Rights and forfeit unvested Performance Rights (however the Board may exercise discretion to vest some or all the Performance Rights). Cessation of employment may bring forward the taxing point.

CommsChoice intends to grant Performance Rights to a number of key executives as well as certain Directors.

- As notified to the ASX on 29 April 2019, Peter McGrath, Interim CEO and Managing Director will be granted 3 million Performance Rights, subject to shareholder approval.
- The Chairman, Mr John Mackay, will be granted 1 million Performance Rights, and Non-Executive Director Mr Stephen Bell will be granted 1 million Performance Rights, both subject to shareholder approval.
- A number of executives will be granted an aggregate total of up to 6 million Performance Rights. These are granted under Listing Rule 7.1 which allows companies to issue up to 15% of their share capital in any 12-month period without seeking shareholder approval.
- These Performance Rights will have the following key performance conditions:
  - a) 50% subject to vesting at 15 cents per share, earliest of 18 months from issue date.
  - b) 50% subject to vesting at 25 cents per share, earliest of 30 months from issue date.

The Company intends to call a General Meeting to approve the granting of Performance Rights to Directors as well as to approve the Performance Rights Plan so that future grants can be made without impacting the Listing Rule 7.1 15% limit. Shareholders will receive details of the General Meeting shortly.

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