

XPLORE WEALTH LIMITED
PROPOSED OPTION OFFERS UNDER EMPLOYEE SHARE OPTION PLAN &
EXECUTIVE SHARE OPTION PLAN

Wednesday 16 October 2019

Why long term incentives for our people?

Xplore Wealth Limited (Company or XPL) (ASX: XPL) advises that following on from the Company's FY2019 Annual Performance Review Process, it has been determined that all eligible staff, including non-executive, executive and newly appointed executives, will be offered options under the Company's Employee Share Option Plan (ESOP) or Executive Share Option Plan (XSOP) (as appropriate).

Group-wide staff participation in XPL's Staff Option Plans is intended to enable the Company and its subsidiaries to attract, retain and incentivise skilled employees. The intent is also to illicit a more collaborative, motivated and performance driven culture, thus facilitating the achievement by the Company of its significant business and strategic objectives. We want our people to care about the performance of the Company.

To promote alignment of staff interests with those of shareholders, the exercise price for the Options (other than the CEO Options specifically described below) has been set at 18 cents per Option, which is 257% of the current share price of 7 cents.

In July 2020 the Board will review satisfaction of KPIs for all staff as part of the Company's annual remuneration governance and performance review process. The minimum requirement for staff is to achieve 80% of KPIs to be entitled to any proportional vesting of Options. The largest percentage category of staff total KPIs is comprised of financial performance criteria. The financial mix of KPIs include, EBITDA target set by the Board, significant organisational growth and increased funds under management, specifically including total shareholder return.

Proposed Option Offers under ESOP and XSOP

The Board has approved the offer to up to 78 non-executive employees of up to 6,810,550 Options under the Company's ESOP.

The Board has also approved the offer to up to 7 executive employees of up to 15,325,000 Options under the Company's XSOP. This offer includes the proposed offer and grant of up to 6,431,000 options to the Company's new Chief Executive Officer (Michael Wright) and 3,894,000 options to the Company's new Head of Distribution & Marketing (Anne Hamieh).

The proposed Option offers under both the ESOP and XSOP are on the following terms subject to the ESOP or XSOP rules (as relevant):

1. Each option gives the right to subscribe for or acquire one ordinary share in the Company (Option). Nil consideration is payable for the Option grant.
2. The exercise price is \$0.18 per Option and, as per previous years, vesting of these Options is subject to employees achieving their agreed KPIs.
3. The vesting date for these Options is 31 August 2020.

4. The exercise period ends 4 years after the date of grant of the Options.
5. Cashless exercise is permitted with respect to the Options (as described in the Company's notice of general meeting released to the ASX on 12 March 2019).

A summary of the ESOP rules was disclosed to the ASX on 24 July 2018 and a summary of the XSOP rules was disclosed to the ASX on 1 September 2017.

The Company will not seek shareholder approval in relation to these proposed Option grants under the ESOP and XSOP.

Proposed Option Offer to Chief Executive Officer under XSOP

The Board has also approved the offer to the Company's newly appointed Chief Executive Officer of 2,000,000 Options (by way of 2 tranches of 1 million Options) under the XSOP (CEO Options). These CEO Options are not subject to achievement of KPIs.

Each CEO Option gives the right to subscribe for or acquire one ordinary share in the Company. Nil consideration is payable for the CEO Option grant.

The Tranche 1 exercise price is \$0.25 per CEO Option. The Tranche 1 vesting date is 31 August 2020.

The Tranche 2 exercise price is \$0.30 per CEO Option. The Tranche 2 vesting date is 31 August 2021.

The exercise period for both tranches ends 4 years after the date of grant of the CEO Options.

Cashless exercise is permitted with respect to the CEO Options.

The above CEO Option terms are subject to all other remaining terms and conditions as detailed in the XSOP rules.

The Company will not seek shareholder approval in relation to the proposed CEO Option grant under the XSOP.

Contact:
Peter Brook
Non-Executive Chairman
P: +61 407 727 665