

WT FINANCIAL GROUP LIMITED (ASX: WTL)

ASX Release 17 March 2024

The Manager
Company Announcements Office Australian
Securities Exchange

For market release

Issue of Performance Rights to a Key Management Person

Further to its announcement on 10 October 2024 regarding the renewal of the executive services agreement (“**ESA**”) for its managing director Keith Cullen, WT Financial Group Limited (ASX: WTL) (“**Company**”) advises that it has finalised its agreement to issue up to 4,500,000 performance rights (“**Rights**”) to Mr. Cullen (“**Eligible Participant**”), subject to shareholder approval where required.

In accordance with the renewed ESA, and in recognition of Mr. Cullen’s ongoing commitment to the Company, the Board invited him to participate in the WT Financial Group Limited Equity Incentive Plan (“**Plan**”) under which the Rights are to be issued. Mr. Cullen has accepted the offer to participate in the Plan.

The Plan was established to assist in the reward, retention and motivation of senior managers and employees, contractors and consultants selected by the Board, as well as to provide (subject to shareholder approval in accordance with the ASX Listing Rules) share-based compensation to non-executive directors if considered appropriate.

The award of Rights to Mr. Cullen was offered in accordance with Division 1A of Part 7.12 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Rights will be issued to Mr. Cullen (or his nominee(s)) subject to shareholder approval in accordance with ASX Listing Rule 10.14.1. Mr. Cullen is a related party of the Company and falls within the category set out in that rule by virtue of being a director of the Company. Any nominee(s) of Mr. Cullen who receive Rights may constitute ‘associates’ for the purposes of Listing Rule 10.14.2.

While the proposed issue of the Rights constitutes giving a financial benefit and Mr. Cullen is a related party of the Company by virtue of being a director, the Board (other than Mr. Cullen) considers that shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of the proposed issue, because the agreement to issue the Rights, reached as part of the remuneration package for Mr. Cullen, constitutes reasonable remuneration payable to Mr. Cullen and was negotiated on an arm’s length basis within the exception in section 210 of the *Corporations Act*.

Following the issue of the Rights, the Company’s equity structure will be as follows:

Equity Securities	Ordinary Shares	Options	Rights	Total	Undiluted %	Fully Diluted %
Number prior to issue	342,185,796	1,500,000	3,000,000	346,685,796	100.00%	98.72%
Maximum to be issued	-	-	4,500,000	4,500,000	0.00%	1.28%
Number after issue	342,185,796	1,500,000	7,500,000	351,185,796	100.00%	100.00%

Mr. Cullen currently has an undiluted beneficial interest of 10.48% in the Company’s Shares (10.34% fully diluted) and has not previously been issued any securities under the Plan. Following the issue of the 4,500,000 Rights, Mr. Cullen’s undiluted interest would still be 10.48% (10.21% fully diluted):

Equity Securities	Ordinary Shares	Options	Rights	Total	Undiluted %	Fully Diluted %
Number held by Mr. Cullen prior to issue	35,858,789	-	-	35,858,789	10.48%	10.21%
Maximum to be issued to Mr. Cullen	-	-	4,500,000	4,500,000	0.00%	1.28%
Sub-total	35,858,789	0	4,500,000	40,358,789	10.48%	11.49%
Held by holders unrelated to Mr. Cullen	306,327,007	1,500,000	3,000,000	310,827,007	89.52%	88.51%
Total	342,185,796	1,500,000	7,500,000	351,185,796	100.00%	100.00%

Summary of the terms and conditions of the Rights

Feature	Particulars
Total number of Rights to be granted	4,500,000
Issue price per Award	Nil.
Notional value of Award	<ul style="list-style-type: none"> 1,500,000 Rights on 5 December 2025 (Tranche 1) \$150,000* 1,500,000 Rights on 1 September 2026 (Tranche 2) \$150,000* 1,500,000 Rights on 1 September 2027 (Tranche 3) \$150,000*
Proposed date on which the Awards will be effective ("Effective Date")	<ul style="list-style-type: none"> 1,500,000 Rights on 5 December 2025 (Tranche 1) 1,500,000 Rights on 1 September 2026 (Tranche 2) 1,500,000 Rights on 1 September 2027 (Tranche 3)
Vesting Conditions:	The Rights are subject to a Performance Hurdle and Service Condition, all of which are required to be satisfied before the Rights become Vested.
Performance Hurdle	<p>The Performance Hurdle applies in respect of all the Rights and is satisfied if the following performance targets are achieved:</p> <ol style="list-style-type: none"> Mr. Cullen, as the Eligible Participant, must qualify for his Long-Term Incentive bonus (as provided for in his executive service agreement with the Company) (LTI Bonus). The proportion of Rights that become Vested is the same percentage of that tranche of Rights as the proportion of LTI Bonus that the Eligible Participant is eligible for in the relevant year. For example, if the Eligible Participant is eligible for 80% of his Bonus, 80% of the relevant tranche of his Rights will Vest. Any other performance targets the Board may set at its discretion and notify the Eligible Participant in writing, within one month of the start of each financial year. Each notice will become an additional schedule to, and form part of, the Invitation.

Service Condition	The Service Condition applies in respect of all of the Rights and is satisfied in respect of the number of Rights set out below if the Eligible Participant remains employed or engaged on a continuous basis until:	
	Number of Rights	Date Rights will vest
	1,500,000 of Tranche 1 Rights that Vest in accordance with having met the Tranche 1 Performance Hurdle	5 December 2025
	The number of Tranche 2 Rights that Vest in accordance with the Performance Hurdle (up to a maximum of 1,500,000)	30 September 2026
	The number of Tranche 3 Rights that Vest in accordance with the Performance Hurdle (up to a maximum of 1,500,000)	30 September 2027

*As at date of new Executive Services Agreement

Last date on which the Awards are able to Vest ("Vesting Date")	Rights will Vest immediately upon the earlier of: (a) each of the dates of Vesting set out in the Service Conditions above; or (b) a change of control of the Company (as defined under the Plan Rules).
Earliest date from which the Awards may be exercised ("First Exercise Date")	The Vesting Dates as set out in the table above, subject to the satisfaction of the Exercise Conditions.
Latest date prior to which the Awards may be exercised ("Last Exercise Date")	Three years from the relevant Vesting Date.
Settlement method on exercise of the Awards	The Rights will be converted into Shares in the Company on a 1 for 1 basis or, if determined by the Board, a cash payment will instead be made to the Eligible Participant equal to the Market Value of the Shares the Eligible Participant would have otherwise received (subject to an adjustment for the exercise price of Rights, if applicable) less any PAYG withholding tax and superannuation contributions.
Restrictions on Disposal of Shares issued on Right exercise	The Rights are non-transferable and cannot be disposed of otherwise than in accordance with the Plan Rules.
Cessation of employment	Despite any other Plan Rules, on cessation of the Eligible Participant's employment with the Company, any Rights that have not yet Vested may continue to be available for Vesting in full or part, at the absolute discretion of the Board. For the avoidance of doubt, should the Board not exercise its discretion, the un-Vested Rights will be immediately forfeited by the Eligible Participant on the date that they cease to be employed by the Company.
Right	Means a right to acquire a Share upon satisfaction of any applicable Performance Hurdles, Service Conditions and Exercise Conditions (other than the payment of an Exercise Price) in accordance with the terms set out in the Plan and the invitation.
Share	Means a fully paid ordinary share in the capital of the Company.
Company	Means WT Financial Group Limited (ACN 169 037 058).
Exercise Price	Nil.

Rules

The Eligible Participant's participation in the Plan, and the acquisition by him of Awards, is also subject to the terms of the Plan Rules.

Vesting and exercise

Subject to any earlier lapse and forfeiture of Awards under the Rules (which may include on a cessation of the Eligible Participant's employment or engagement by the Company), and subject to satisfaction of the Vesting Conditions, the relevant number of Awards will vest, as set out above.

Lapse and forfeiture of Rights

In accordance with the Plan Rules, in certain circumstances Rights granted to the Eligible Participant will lapse and be forfeited.

This may include a situation where the Eligible Participant terminates or ceases employment or engagement with the Company prior to the vesting of the Rights. It will also include where he acts fraudulently or dishonestly or is convicted of an offence in connection with the affairs of the Company.

Rights will automatically lapse at 12.01am on the date immediately following the Last Vesting Date unless vesting and exercise occur prior to that time.

The invitation was conditional on:

- (i) the receipt of any required shareholder approval of this issue of Rights and the subsequent issue of Shares; and
- (ii) the offer remaining compliant with the law and ASX Listing Rules. If shareholder approval (if required) is not forthcoming or any issuance resulting from this invitation is non-compliant with the law or ASX Listing Rules, at the Board's discretion, the Rights granted to the Eligible Participant will lapse and be forfeited.

General rights in relation to Rights

Prior to exercise, Rights do not entitle the holder to vote at any general meetings of the Company, to receive any dividends in the Company that may be paid, or to share in the assets of the Company or a return of capital on a winding up of the Company.

A Right does not confer any right to participate in new issues by the Company, such as a bonus issue or entitlement issue.

If at any time the issued capital of the Company is re-organised (being a consolidation or share split), a Right may be treated in accordance with the ASX Listing Rules at the time of re-organisation or issue, so as to preserve the proportionate value of the Rights vis the Shares.

If the Company undertakes a 'bonus issue' (within the meaning in the ASX Listing Rules) there will be no adjustment to the number of Shares issued once the Rights vest.

Authorised for release by:

Guy Hedley
Non-Executive Chairman
(02) 9248 0422

For further information:

Jane Morgan
Investor and Media Relations
+ 61 (0) 405 555 618
jm@janemorganmanagement.com.au