

McPherson's Limited

## **Employee Share Scheme – Plan Outline**

In 2018 a scheme under which shares may be issued by McPherson's Limited ('company' or 'Group') to its employees for no cash consideration was approved by the Board of Directors. This scheme was introduced to improve employee engagement, reward our employees for service and provide employees with an ownership interest in the company, thereby improving the alignment of investor and employee objectives.

All employees (excluding Key Management Personnel such as the Managing Director and other members of the Senior Leadership Team who are entitled to a long term incentive) who have been continuously employed by the group for a period of at least one year are eligible to participate in the scheme at the discretion of the Board of Directors. Employees may elect not to participate in the scheme.

Under the scheme, eligible employees may be granted up to \$1,000 worth of fully paid ordinary shares in the Group annually for no cash consideration.

The shares granted in 2018 vested on 31 July 2019 provided the employee remains employed by the Group. The number of shares issued to participants in the scheme is the offer amount divided by the weighted average price at which the company's shares are traded on the Australian Securities Exchange during the week ending the day before the date of issue on 31 July 2019.

Applications under the scheme are accepted at the discretion of the Board of Directors. Shares issued under the scheme may not be sold until the earlier of three years after issue or cessation of employment. In all other respects the shares rank equally with other fully-paid ordinary shares on issue.

The Board of Directors has determined that the scheme will be continued in 2021 on the same basis as outlined above.