



## ASX ANNOUNCEMENT

### LETTER TO SHAREHOLDERS

**SYDNEY, Thursday 10 May 2018:** Attached is a letter to the shareholders of **Managed Accounts Holdings Limited** (ASX: MGP).

For further information, please contact:

**Don Sharp**  
Executive Chairman  
Managed Accounts Holdings Limited  
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10 May 2018

Dear Shareholder

As you are aware, we have convened a general meeting of shareholders of Managed Accounts Holdings Limited (Company or MGP) to be held at 11 am (Sydney time) on Friday 15 June 2018.

The notice of general meeting includes two motions in relation to directors' fees. We have been requested by some MGP shareholders to provide greater clarity about the MGP board's current intentions in relation to proposed changes to directors' fees. Please note that this letter sets out the MGP board's current intentions and that these intentions may change over time.

### **Increase in Size of MGP Board following Linear merger**

In November last year we merged with Linear Financial Holdings Pty Ltd (Linear) and two Linear directors joined the MGP board as non-executive directors.

Existing director fees for each non-executive director are \$60,000 per annum (plus superannuation), subject to compliance with the aggregate directors' fees limit approved by MGP shareholders.

Resolution 1 in the Company's notice of general meeting provides for an increase in the aggregate limit. The MGP board believes an increase in aggregate directors' fees for non-executive directors is appropriate in light of the increased size of the MGP board.

My current remuneration of \$77,250 per annum (plus superannuation) is for executive duties including Chief Financial Officer. As an executive director, my salary is excluded from the aggregate non-executive directors' fee cap.

### **Non-executive Chairman**

As the MGP group has grown in size, the MGP board has given some consideration to the proposed appointment of a non-executive Chairman in order to improve corporate governance.

We have already announced that we are looking for a Chief Financial Officer for the MGP group. Once appointed, the MGP board intends to shortly after elect a non-executive Chairman from the existing MGP board.

Subject to shareholder approval, it is intended that the director fees of the non-executive Chairman will be \$50,000 per annum (plus superannuation) in addition to the existing director fees of \$60,000 per annum (plus superannuation).

### **Committee Chairman Fees**

The MGP directors who are a chairman of a committee or sub-committee of the MGP board currently receive no additional fees for the performance of this role.

From my experience the chairman of each of the two main committees of the MGP board (being, the ARC Risk and Compliance Sub-committee and the ARC Audit and Finance Sub-committee) need to devote significantly more time to these roles than the members of these two committees. Experienced

committee chairmen lead to a reduction in the need for consultants. I believe they should be remunerated accordingly. It is therefore proposed that the chairman of each of these two committees receive additional director's fees of \$20,000 per annum (plus superannuation) for the performance of this role, subject to shareholder approval of Resolution 1 in the Company's notice of general meeting.

### **New Committee of the MGP board**

The MGP board is intending to establish a Merger and Acquisitions Committee to be chaired by a non-executive director. It is proposed that this committee chairman will be Peter Brook.

### **Special Exertions**

The MGP board believes that where substantial extra time and effort is required of directors in response to corporate situations or events (e.g. Linear Merger), and this commitment is reasonably considered to be extraordinary, it is appropriate that such directors be entitled to additional remuneration.

The notice of general meeting includes a motion which provides for the inclusion of a 'special exertions' clause into the Company's constitution. Such clauses are very common in ASX listed company constitutions.

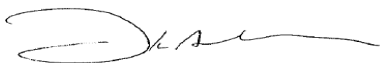
### **Summary**

It is the current intention of the MGP board that, subject to shareholder approval, additional fees will be:

- (a) Board committee chairman fees of \$20,000 per annum (plus superannuation) each for the two main Board committees (being, the ARC Risk and Compliance Sub-committee and the ARC Audit and Finance Sub-committee); and
- (b) an extra \$50,000 per annum (plus superannuation) for the MGP board non-executive chairman.

Special exertion fees will be approved by the MGP board if substantial extra time or effort is required of directors in response to particular corporate situations or events.

Regards



Don Sharp  
Executive Chairman