

15 October 2020

ASX Announcement

ETHERSTACK PLC [ASX:ESK]

("Etherstack" or the "Company")

Proposed Issue of Incentive Performance Rights

Etherstack plc (ASX:ESK) advises of the implementation of the Etherstack Incentive Performance Rights Plan (Plan). To achieve its objectives, Etherstack and its group companies need to attract and retain key staff, management and Directors.

The Board believes that grants made to eligible participants under the Plan provide a powerful tool to underpin the Company's employment and engagement strategy, and the Plan:

- (a) enables the Company to recruit, incentivise and retain key management and other eligible employees needed to achieve the Company's business objectives;
- (b) links the rewards of key staff with the achievements of strategic goals and the long-term performance of the Company;
- (c) aligns the financial interests of participants of the Plan with those of Shareholders; and
- (d) provides incentives to participants of the Plan to focus on superior performance that creates Shareholder value.

In addition, the Board also believes that incentivising employees and Directors with Performance Rights is a prudent means of conserving the Company's available cash reserves. It is also comparable to share based remuneration approaches adopted by a range of other technology companies.

The Company is proposing to issue up to 4,680,000 Performance rights under the Plan to employees and Directors which represents 3.9% of the company's issued share capital.

Included in this amount and subject to obtaining shareholder approval at the annual general meeting, the Company is proposing the issue of 1,950,000 Performance Rights under the Plan to Directors as summarised below.

None of the directors participate in any currently operating options plans or other incentive plans. Non-executive directors previously held options under an options plan implemented in 2014 and which lapsed on 31 December 2018. No shares were issued to non-executive directors under this plan.

Director	Number	Performance hurdle
David Deacon, CEO	750,000	The Company achieving a volume weighted average price of shares (VWAP) of at least \$2.00 over any twenty consecutive trading day period
	750,000	The Company achieving a volume weighted average price of shares (VWAP) of at least \$3.00 over any twenty consecutive trading day period
Peter Stephens, Non-Executive Chairman	75,000	The Company achieving a volume weighted average price of shares (VWAP) of at least \$2.00 over any twenty consecutive trading day period
	75,000	The Company achieving a volume weighted average price of shares (VWAP) of at least \$3.00 over any twenty consecutive trading day period
Paul Barnes, Non-Executive Director	75,000	The Company achieving a volume weighted average price of shares (VWAP) of at least \$2.00 over any twenty consecutive trading day period
	75,000	The Company achieving a volume weighted average price of shares (VWAP) of at least \$3.00 over any twenty consecutive trading day period
Scott Minehane, Non-Executive Director	75,000	The Company achieving a volume weighted average price of shares (VWAP) of at least \$2.00 over any twenty consecutive trading day period
	75,000	The Company achieving a volume weighted average price of shares (VWAP) of at least \$3.00 over any twenty consecutive trading day period

Authorised for release by David Carter, CFO

Enquiries

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About Etherstack plc (ASX:ESK):

Etherstack is a wireless technology company specialising in developing, manufacturing and licensing mission critical radio technologies for wireless equipment manufacturers and network operators around the globe. With a particular focus in the public safety, defence, utilities, transportation and resource sectors, Etherstack's technology and solutions can be found in radio communications equipment used in the most demanding situations. The company has R&D facilities in London, Sydney, New York and Yokohama.