

26 August 2015

Martin Nicholas appointed as Chief Executive Officer

Greencross Limited (ASX:GXL) today announced the appointment of Martin Nicholas as Chief Executive Officer and Managing Director. The appointment follows the decision of current CEO, Mr. Jeffrey David, to step down effective immediately.

Martin Nicholas is currently the CFO of Greencross. He is ideally placed to step into the role having been closely involved over the last 12 months in the integration of the Greencross, Mammoth Pet and City Farmers businesses, the continued expansion of the veterinary services and retail businesses, and reviewing the merged group's overall business strategy and structure to position the group for future growth.

Prior to joining Greencross, Martin was the CFO of Study Group International, a private equity owned education business, and served as Group Finance Director for Rentokil Initial PLC, a multinational services business listed on the London Stock Exchange. Martin also spent 22 years in FMCG with Unilever across a number of locations including the United Kingdom, Asia and Australia, most recently as CFO for the Australian business.

Greencross Chairman, Stuart James, said: "Following the successful merger and integration of both the Mammoth Pet and City Farmers businesses, Mr. David has expressed his desire to step down from the role of CEO. In these circumstances, and with our succession plan in place, the Board considers this an appropriate time to make such a change as the company embarks on its next phase of growth. We thank Mr. David for his contribution at Greencross during his tenure as CEO. His strategic vision has been fundamental to the impressive growth of Greencross over the last 10 years, both as the Executive Chairman and Founder of Mammoth Pet and as a Director of Greencross."

Mr. David (retiring CEO) said: "The objectives set when I came into Greencross in January 2014 have now been largely fulfilled. Greencross has successfully integrated its veterinary and pet goods retailing businesses over the last 18 months and expanded the geographic reach of the group to position for future growth. The company has a market leading platform as an integrated specialist pet services company and has many exciting opportunities before it. My decision to step down as CEO is the right decision for the company and all of its stakeholders and I will make myself available to assist Martin in this transition period."

Martin Nicholas (new CEO) said: "I'm delighted to be accepting this role at such an exciting time for our company. The importance of strategic continuity and building on the good work already done has been central to my discussions with the Board. Delivering seamless implementation of Greencross' strategy will be my priority. Jeff David has established a strong platform for Greencross to execute its strategy of consolidating the fragmented veterinary services and expanding the reach of our pet goods stores and services through organic expansion in Australia and New Zealand. We remain focused on delivering exceptional

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veterinary care and pet services and an outstanding pet goods retail experience for pet parents and their pets".

A summary of the key terms of employment of Martin Nicholas as CEO are attached.

The company confirms the commentary and outlook provided at its full results presentation on August 11, 2015. The business has had a positive start to the year with Group like for like sales growth of 6.3% in the first eight weeks of trading.

For further information please contact:

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Summary of Material Terms of Employment Agreement of CEO

A summary of the material terms of employment of Martin Nicholas as the CEO and Managing Director of Greencross will be as follows:

1. Appointment

Martin Nicholas's appointment is to the position of Chief Executive Officer of Greencross. As the CEO, Martin Nicholas will join the board of directors of Greencross.

2. Term

The appointment commences on 26 August 2015. Martin Nicholas's appointment is subject to the termination provisions noted below.

3. Duties & reporting structure

The duties of Martin Nicholas are those commonly expected of the CEO, including reporting to, and receiving directions from, the board.

4. Remuneration

Martin Nicholas's remuneration comprises two components, namely:

- (a) *Fixed remuneration* - Martin Nicholas will be paid a total fixed remuneration (TFR) of \$780,000 each year, inclusive of base salary, compulsory superannuation contributions by Greencross and director's fees. The fixed remuneration will be reviewed annually with effect from 1 July each year
- (b) *Short term incentive* - Martin Nicholas is eligible to participate in the Greencross short term incentive plan (STI). The maximum STI award in respect of any financial year will be fifty percent of Martin Nicholas's TFR for that year. The award will be paid in a mix of cash and deferred equity as determined by the Board. The payment of the award will be subject to performance conditions notified to the CEO, which in FY 2016 will include year-on-year growth in underlying earnings before interest, tax, depreciation and amortisation (EBITDA), cash generation and organic revenue. Achievement of the maximum STI opportunity will require performance well above consensus. Performance against STI targets will be reported retrospectively.

5. Termination

Martin Nicholas may end his employment at any time by giving 6 months' written notice.

Greencross may also end Martin Nicholas's employment at any time:

- (a) by giving 6 months' written notice;
- (b) at any time without notice to Martin Nicholas if he:

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- (i) engages in serious or wilful misconduct;
- (ii) is seriously negligent in the performance of his duties;
- (iii) commits a serious or persistent breach of his employment agreement;
- (iv) commits an act, whether at work or otherwise, which brings Greencross into disrepute; or
- (v) is convicted of an offence punishable by imprisonment

6. Non-competition

During his employment Martin Nicholas must not be engaged in any activities, concerned or interested in any activities that are materially competitive with the business of Greencross without prior written consent of Greencross.

After termination of Martin Nicholas's employment, except with the approval of the Chairman, Martin Nicholas must not, for a period of 6 months, be involved in any business which is materially competitive with the business of Greencross.

7. Other terms

The Agreement also contains general provisions relating to hours of work, compliance with company policies, reimbursement of company expenses, leave entitlements (including 4 week's annual leave, 10 days personal carer's leave, long service leave and study leave), public holidays, suspension from duties (if the Board views Martin Nicholas's conduct, capacity or performance may warrant serious disciplinary action), disclosure of information, intellectual property and compliance and approvals.

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