

ASX Company Announcement | Issue Date: 15 June 2016

## APPOINTMENT OF INTERIM CEO

Newzulu Limited (ASX: NWZ, OTCQX: NWZLY, Newzulu, Company) is pleased to announce that further to the announcement of 21 April 2016, the Company has finalised the terms of appointment for Mr Marc Milgrom as the Company's interim CEO.

Mr Milgrom has been with the Company in his capacity of Global Chief Operating Officer since the acquisition of Filemobile by Newzulu in February 2015. In the role of interim CEO, Mr Milgrom will have direct responsibility for the execution of Newzulu's strategy and business plan from Toronto, which aligns with Newzulu's focus on corporate and operational opportunities in North America and the transition of the management and administrative structure of the Company to that region.

Prior to joining Newzulu, as President of Filemobile, Inc. Mr Milgrom was responsible for technology and product development, finance, strategic partnerships, major accounts, client delivery and for driving strategic development with the senior management team. He has a proven track record of delivering profitable revenue growth through strategic vision, leadership and execution. Mr Milgrom was previously a tax partner of PriceWaterhouseCoopers (PwC).

Mr Milgrom's existing employment agreement (the **Agreement**) has been varied to reflect the terms of his new position (the **Amendment**) and in accordance with ASX Listing Rule 3.16.4 the Company provides the following information:

### (a) Term

The initial term of the Agreement is effective from 1 June 2016 and continues for a period of six months (**Initial Term**). After the conclusion of the Initial Term, the Board may elect to confirm Mr Milgrom's appointment to the position of CEO on a permanent basis on the terms as set out in the Amendment or otherwise Mr Milgrom will revert to the position of Global Chief Operating Officer and the terms as set out in the previous Agreement.

### (b) Remuneration, benefits and expenses

- (i) Base Salary: Mr Milgrom's base salary will be CAD\$250,000 per annum, plus compulsory insurance contributions;
- (ii) Incentives: Subject to the Company obtaining all necessary shareholder and regulatory approvals that may be required and such other terms and conditions as required by the

ASX, Mr Milgrom will be issued with 12,000,000 options with an exercise price of \$0.02 and an expiry date of 3 years (**Options**) after the date of grant and vesting as follows:

- + 4,000,000 Options will vest on the date of grant (**Tranche 1 Options**);
- + 4,000,000 Options will vest upon the Board confirming Mr Milgrom's appointment to the position of CEO on a permanent basis (**Tranche 2 Options**); and
- + 4,000,000 Options will vest 6 months after the appointment of Mr Milgrom to the position of CEO on a permanent basis (**Tranche 3 Options**).

Upon the occurrence of a change of control event, the Board will, by written notice to Mr Milgrom, resolve to waive all of the vesting periods applying to the Options.

Should the Board elect to require that Mr Milgrom's terms of employment revert to the previous Agreement, the Tranche 2 Options and Tranche 3 Options will be cancelled for no consideration.

The Company will not issue the Options the subject of Resolution 7 of the Notice of General Meeting released to ASX on 6 May 2016 (the **Notice**) and approved by Shareholders at the General Meeting held on 8 June 2016. The Board will instead issue the Options set out in paragraph (b)(ii) above using the Company's 15% placement capacity.

- (iii) Share Units: The Newzulu Employee Share Trust Plan (**ESTP**) was approved by shareholders at a general meeting held on 27 November 2014. Under the ESTP, the trustee, Trinity Management Pty Ltd (ACN 118 314 515) (**Trustee**) may acquire fully paid ordinary shares in the capital of the Company (**Shares**) for eligible employees either from new issues or from existing shareholders, using contributions from the Company. The Shares are registered in the name of the Employee Share Trust and are held by the Trustee on behalf of the eligible employee and allocated to share units issued by the Employee Share Trust (**Share Units**). Shares are allocated to the Share Units issued to eligible employees on a one-for-one basis.

Subject to the Company obtaining any necessary shareholder and regulatory approvals that may be required, Mr Milgrom will be issued \$50,000 worth of Share Units (created pursuant to the Employee Share Trust under the ESTP) in accordance with the terms and conditions of the ESTP. Mr Milgrom's Share Units will vest as follows:

- + \$25,000 worth of Share Units will vest 12 months from the date of issue; and
- + \$25,000 worth of Share Units will vest 24 months from the date of issue.

Upon the occurrence of a change of control event, the Board will, by written notice to Mr Milgrom, resolve to waive all of the vesting periods applying to the Share Units.

- (iv) Expenses: Mr Milgrom is entitled to claim from the Company reimbursement of reasonable out-of-pocket expenses properly incurred in the performance of his duties and responsibilities (and upon production of an itemised account receipts in accordance with the Company's expense policy).

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## (c) Termination

### Termination by the Company

The Agreement may be terminated at any time by the Company giving Mr Milgrom the greater of the statutory notice period or fifteen (15) months' notice on termination (or a payment in lieu of such notice) as per the terms of his existing Agreement. The Company may terminate Mr Milgrom's employment immediately where there is cause to do so without notice or payment in lieu of notice.

### Termination by Mr Milgrom

Mr Milgrom may terminate his employment at any time by giving the Company 90 days' written notice to the Company.

The Agreement and Amendment otherwise contains provisions standard for an agreement of employment in Canada including in relation to vacation entitlements, confidentiality, non-competition, non-solicitation, non-interference and other general provisions.

-ENDS-

### **For further information please contact:**

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### **About Newzulu**

Newzulu is a crowd-sourced media company that allows anybody, anywhere, with a mobile device and a story, to share news, get published and get paid. Headquartered in New York, Newzulu operates bureaus in London, Paris, Los Angeles and Toronto. Newzulu operates in partnership with Associated Press (AP), Getty Images, Tribune Content Agency and Alamy in the United States, Agence France-Presse (AFP) in France, Press Association (PA) and Videoplugger in the UK & Ireland, Belga News Agency in Belgium, Canadian Press (CP) in Canada, Aflo Co., Ltd in Japan, Australian Associated Press (AAP) in Australia, ITAR TASS in Russia, Norwegian News Agency (NTB) and YAY Images in Norway, Agenzia Nazionale Stampa Associata (ANSA) in Italy, ddp Images in Germany, East News in Poland, TT Nyhetsbyrå in Sweden, Agencia EFE in Spain, Wikono Societed Limitada and GtresOnline in Spain and South America, Northfoto in Eastern Europe. Further information can be found on [www.newzululimited.com](http://www.newzululimited.com).

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