



Australian Securities Exchange - Company Announcements Platform

Centuria Capital Group CEO Group and CEO - Listed and Unlisted

Sydney, 28 December 2017

The Nomination and Remuneration Committee of Centuria Capital Group (ASX: CNI) is responsible, among other things, for reviewing and making recommendations in respect of the remuneration and terms of employment of CNI's executive directors.

The Committee has for some time been reviewing the employment arrangements of Mr John McBain (CEO Group) and Mr Jason Huljich (CEO - Listed and Unlisted) especially as their employment agreements had not been updated since their employment by CNI commenced more than 10 years ago.

Following extensive negotiation, new agreements have been agreed upon to replace the old agreements.

Attachment 1 to this announcement summarises the material variations to the existing terms of employment applying to Mr McBain and Mr Huljich.

- Ends -

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Attachment 1

This is Attachment 1 referred to in the announcement to the ASX by CNI dated 28 December 2017.

In accordance with ASX Listing Rule 3.16.4, the material variations to the terms of employment between CNI and Mr John McBain (Group Chief Executive Officer) and Mr Jason Huljich (Chief Executive Officer - Listed and Unlisted) (each an **Executive**) are set out below.

Incentives and performance rights

Short term incentive (STI)

No later than 4 months after the start of a Financial Year, the Board and the Executive must have agreed STI targets and arrangements. The STI targets and arrangements are to take into account the previous Financial Year's STI and the performance of the Executive and the financial position and performance of the Group over the relevant Financial Year.

The amount of any STIs can be agreed for up to three financial years in advance.

Up to and including the Financial Year ending 30 June 2020 each Executive is entitled in respect of each Financial Year to the following amount (up to the STI Amount):

$$\frac{\text{STI Amount for the Prior FY} \times \text{Return per Security for the Current FY}}{\text{Return per Security for the Prior FY}}$$

Where:

Current FY means the Financial Year in respect of which the STI is being calculated.

NPAT means, in respect of a Financial Year, the reported net profit after tax for the consolidated CNI reporting entity for that Financial Year.

Prior FY means the Financial Year immediately before the Financial Year in respect of which the STI is being calculated.

Return per Security means, for a Financial Year, the NPAT for the Financial Year divided by the number of stapled securities in CNI on issue at the end of the Financial Year (adjusted so as not to disadvantage the Executive if there is any reconstruction of capital).

STI Amount in respect of an Executive is an amount equal to a percentage of the Executive's base fixed salary (75% for Mr McBain and 60% for Mr Huljich).

If the employment of an Executive terminates part way through a Financial Year (other than for termination for serious misconduct of the Executive), the Executive is entitled

to the STI for the full Financial Year, which is to be calculated in accordance with the above formula, unless the Executive and the Group otherwise agree.

Long term incentive (LTI)

Each Executive has performance rights under the Centuria Executive Incentive Plan for the 2016, 2017 and 2018 financial years, and these rights are governed by the Centuria Executive Incentive Plan Rules and are unchanged.

CNI agrees that in relation to the Executive it will exercise all discretions it holds so that:

- if the Executive's employment is terminated for any reason before the vesting date in the LTIP, the Executive remains entitled to each security as if still employed, unless the LTIP expressly provides that the LTIP securities lapse; and
- if an Event occurs, as defined in the LTIP Rules, CNI will treat all unvested securities as vested,

unless a Senior Counsel engaged by CNI opines in writing that the exercise of the discretion would result in CNI or the Directors breaching an applicable law.

Quantum of benefits subject to law

CNI is not required to pay or provide any money or benefits to the Executive in connection with the termination of his employment to the extent to which payment, provision or procurement would in the written opinion of a Senior Counsel engaged by CNI cause CNI to infringe any applicable laws.

Termination

One of the objectives of the review of the service agreements of the Executives was to update them having regard to the growth of CNI and the increased responsibilities of, and reliance upon, the Executives and given that the terms of employment had not been reviewed for more than 10 years.

As would be expected, the termination provisions for the new service agreements were extensively negotiated.

Termination for cause

CNI may terminate the employment of the Executive without any period of notice or payment in lieu of notice if the Executive engages in serious misconduct, which includes a serious or persistent breach of the employment agreement, conviction of a criminal offence, bankruptcy or illness or injury that prevents the Executive from performing his role for 9 months.

Termination other than for cause

Under the new service agreements, CNI may terminate the employment of the Executive upon 6 months' written notice for convenience and without any cause.

The Executive may similarly terminate his employment by 1 months' written notice.

On the termination date, the Executive is entitled to be paid 12 months' remuneration inclusive of any notice period or any payment in lieu of notice.

Neither the previous terms of employment nor the new service agreements contain post-employment restraints on an Executive.