

14 December 2015

OZFOREX RETENTION ARRANGEMENTS

In light of the unsolicited, non-binding indicative proposal from Western Union (**Indicative Proposal**) as announced on 19 November 2015, the Board of OzForex Group Limited (ASX:OFX) (**OzForex**) has considered the need to put retention arrangements in place for new executives who commenced in the past six months and wishes to update the market in relation to these arrangements.

Since the commencement of Richard Kimber as Chief Executive Officer of OzForex on 1 June 2015, OzForex has made five strategic hires at the corporate level with the most recent having commenced on 16 November 2015. The executives recently employed by OzForex include the Chief Operating Officer, Chief Technology Officer, Head of People and Culture, Chief Marketing Officer and Acting Head of North America. These personnel are key to the execution of OzForex's Accelerate Strategy announced at the AGM in August 2015.

The Board has engaged with independent remuneration consultants to ensure OzForex is ideally positioned to retain, motivate and incentivise management to maximise value for OzForex shareholders.

To that end, the Board has determined to allocate a total retention pool of \$2.66 million to six key executives who commenced in their roles at OzForex within the past six months. This includes \$1.25 million allocated to OzForex's Chief Executive Officer, Richard Kimber.

The Board believes that these arrangements are fair and reasonable in the circumstances because:

- new executives have little or no unvested equity allocated to them under the Company's long term incentive plan and as such present a retention risk if provided with more certain offers of employment;
- it is in shareholders' best interests that the services of Mr Kimber and newer key executives are retained to lead the Company during this period of uncertainty and beyond if there is no change of control as they will be key to executing OzForex's Accelerate Strategy which we expect to deliver significant value for shareholders; and
- the retention arrangements also encourage the management team to remain with OzForex post any transaction, which has been indicated as a key requirement of Western Union and will help maximise the value realised for shareholders in the event of a change of control.

If the Indicative Proposal does proceed and there is a change of control, the Board has determined the retention pool will vest in favour of eligible management as to 50% upon a change of control, and 50% six months from financial close of the transaction to ensure continuity and retention post the transaction period.

Importantly, the retention pool will be progressively reduced/replaced by any long term incentives (LTI) granted (which for the next LTI grant to the CEO will be subject to shareholder approval at the next AGM) before any change of control transaction completes (or if no change of control transaction eventuates) with normal performance conditions attached to ensure executives do not receive any windfall gain from the arrangements if there is no change of control.

Longer serving executives who have multiple grants under the existing OzForex Long Term Incentive Plan still on foot will not be entitled to participate in the retention pool. The Board has indicated, however, that it intends to exercise discretion such that all unvested incentives will vest in full, subject to satisfactory individual performance, should a change of control transaction occur.

In the event there has been no change of control by 31 December 2016, the balance of the retention pool that has not been granted in LTI will lapse.

Key contact for shareholder and media inquiries:

Linda Cox
Group Company Secretary and Head of Investor Relations
+61 448 911 029

About OzForex Group (ASX:OFX)

OzForex Group Limited is a global provider of online international payment services for consumer and business clients. It has offices in 6 locations. The OzForex Group provides services under the brands OzForex, UKForex, CanadianForex, USForex, NZForex, Tranzfers and ClearFX. To support our increased focus on marketing and people, we are launching a new single global brand in December, OFX, using a single domain name, www.ofx.com.