

PACIFIC CURRENT GROUP

33° 51' 50.457" S, 151° 12' 23.437" E

Level 29, 259 George Street, Sydney NSW 2000

T: +61 2 8243 0400 // F: +61 2 8243 0410

ASX ANNOUNCEMENT

21 June 2018

APPOINTMENT OF CEO

Pacific Current Group Limited (**Company** or **PAC**) is delighted to announce that Paul Greenwood has been appointed as the chief executive officer of the Company and its controlled entities (**Group**) starting 1 July 2018. Paul is currently a director of the Company and the Group's chief investment officer and will continue in that role, as well as taking on overall responsibility for the management of the Group as chief executive officer. Paul will also continue to be based in North America at the Group's office in Tacoma, Washington State.

The material terms of Paul's employment are summarised below:

Base salary	US\$725,000 per annum (exclusive of retirement plan contributions)
Short term incentive	Annual cash bonuses of up to US\$400,000 each year subject to satisfying the key performance indicators for the relevant year agreed by the board of directors of PAC
Long term incentive	The long term incentive is provided through the grant of PAC share entitlements conditional on certain performance criteria being met (performance rights) that are designed to give Paul an outcome that is similar to the benefit that options would provide. It is comprised of 2 tranches, the first with a performance assessment period of 3 years and the second with a performance assessment period of 4 years. Each tranche is subdivided into 3 lots with different performance conditions, one lot requiring continuing employment and a share price hurdle to be met and the other 2 also requiring different total shareholder return hurdles to be met. The starting point for the incentive to create value for Paul is achieving a PAC share price that is approximately 10% above the volume weighted average price of a PAC share over both the last week and month. Set out below is a more detailed summary of the performance rights

1st tranche - 1 July 2018 to 30 June 2021

- (a) If the 30 trading day volume weighted average price (**VWAP**) of an ordinary share (**Share**) in the Company ending on the last trading day of 30 June 2021 (**2021 VWAP**) exceeds A\$6.75, Paul will be entitled to acquire for no cash consideration a number of Shares equal to:

$$\frac{375,000 \times (2021 \text{ VWAP} - A\$6.75)}{2021 \text{ VWAP}}$$

PLUS

- (b) If the above price hurdle is exceeded and the 2021 VWAP plus the aggregate dividends paid on a Share during the period 1 July 2018 to 30 June 2021 (**2021 TSR**) is more than A\$6.75 increased at the rate of 8.5% per annum compounding annually, Paul will be entitled to acquire for no cash consideration an additional number of Shares equal to:

$$\frac{437,500 \times (2021 \text{ VWAP} - A\$6.75)}{2021 \text{ VWAP}}$$

PLUS

- (c) If the above price hurdle is exceeded and the 2021 VWAP plus the aggregate dividends paid on a Share during the period 1 July 2018 to 30 June 2021 (**2021 TSR**) is more than A\$6.75 increased at the rate of 11% per annum compounding annually, Paul will be entitled to acquire for no cash consideration an additional number of Shares equal to:

$$\frac{437,500 \times (2021 \text{ VWAP} - A\$6.75)}{2021 \text{ VWAP}}$$



2nd tranche - 1 July 2018 to 30 June 2022

- (a) If the 30 trading day volume weighted average price (**VWAP**) of an ordinary share (**Share**) in the Company ending on the last trading day of 30 June 2022 (**2022 VWAP**) exceeds A\$6.75, Paul will be entitled to acquire for no cash consideration a number of Shares equal to:

$$\frac{375,000 \times (2022 \text{ VWAP} - A\$6.75)}{2022 \text{ VWAP}}$$

PLUS

- (b) If the above price hurdle is exceeded and the 2022 VWAP plus the aggregate dividends paid on a Share during the period 1 July 2018 to 30 June 2022 (**2022 TSR**) is more than A\$6.75 increased at the rate of 8.5% per annum compounding annually, Paul will be entitled to acquire for no cash consideration an additional number of Shares equal to:

$$\frac{437,500 \times (2022 \text{ VWAP} - A\$6.75)}{2022 \text{ VWAP}}$$

PLUS

- (c) If the above price hurdle is exceeded and the 2022 VWAP plus the aggregate dividends paid on a Share during the period 1 July 2018 to 30 June 2022 (**2022 TSR**) is more than A\$6.75 increased at the rate of 11% per annum compounding annually, Paul will be entitled to acquire for no cash consideration an additional number of Shares equal to:

$$\frac{437,500 \times (2022 \text{ VWAP} - A\$6.75)}{2022 \text{ VWAP}}$$

Continuing employment

Paul's entitlement to acquire any Shares is conditional on Paul's full-time employment not having terminated at or before the time the Shares are required to be issued or transferred to Paul, although where employment terminates due to his death or total and permanent disablement or his role becoming redundant due to operational reasons or Paul being given notice of termination without cause, and some or all of the performance hurdles set out in the above formulae have in substance been achieved, Paul will become entitled to some or all of the Shares that he would be entitled to if the date of termination of his employment were substituted in place of 30 June 2021 and 30 June 2022 in the formulae.

Shareholder approval

Paul's entitlement to acquire any Shares is also conditional on PAC shareholder approval. It is anticipated that this will be sought at the Company's next annual general meeting (likely to be held in November 2018).

Adjustment

Where the share capital of PAC is reorganised or there is a bonus issue of Shares to PAC shareholders, the terms of the long term incentive (e.g. the share price hurdle and underlying share numbers in the above formulae) will be adjusted in a way that is comparable to the way options are required to be adjusted under the ASX Listing Rules..

Cash alternative

The Company may elect to pay to Paul a cash equivalent amount instead of issuing or arranging to transfer all or any of the Shares to him.



Other employee benefit plans	Paul is also entitled to participate in any and all other employee benefit plans which are made available to the senior executives of the Group from time to time. At present, Paul participates in PAC's North American qualified retirement plan whereby matching contributions are paid towards Paul's retirement benefits up to approximately US\$11,000 each year. He also participates in the Group's health plans whereby the Group pays for coverage for health-related services for Paul and his dependents at a current net annual cost of approximately US\$20,600.
Termination	Paul's employment may be terminated at any time for cause or by giving him 6 months' notice of termination. Paul may also terminate his employment at any time for good reason or by giving 6 months' notice of termination. Where termination is without cause or by Paul for good reason, Paul will be entitled to a severance payment equal to 12 months of his then current base salary, and 12 months' continuation coverage under the Group's health plans in which Paul and his dependents participated immediately before termination, in addition to his entitlements that have accrued at the date of termination. Paul's employment will also terminate if he dies or is unable to substantially and competently perform his duties for more than 100 consecutive days or more than 120 days in any 12 month period, and in that case he or his estate will be entitled to 12 months' continuation coverage under the Group's health plans in which Paul and his dependents participated immediately before termination, in addition to his accrued entitlements at the date of termination.
Non-compete	Upon termination of his employment, Paul will be subject to non-competition restrictions for 6 months (where termination is without cause or by Paul for good reason) or 12 months (where termination is for any other reason).
Dispute resolution	The terms of the long term incentive are governed by the laws of the Commonwealth of Australia and the state of Victoria and all other provisions of the employment agreement are governed by the laws of the state of Washington, United States of America. Any controversy or claim is required to be resolved by arbitration in Seattle Washington. The Company is required to pay all costs and fees of the arbitration.

CONTACT

For Investor Enquiries:

Tony Robinson
Executive Director
+61 407 355 616

ABOUT PACIFIC CURRENT GROUP // www.paccurrent.com

Pacific Current Group Limited (ASX:PAC) is a multi-boutique asset management firm dedicated to providing exceptional value to shareholders, investors and partners. We apply our strategic resources, including capital, institutional distribution capabilities and operational expertise to help our partners excel. As of 31 December 2017, Pacific Current Group had investments in fifteen boutique asset managers globally.

