

# ADOREBEAUTY

GROUP

Adore Beauty Group Limited  
ABN 78 636 138 988

## ASX ANNOUNCEMENT

17 November 2022

### Appointment of Chief Executive Officer

Adore Beauty Group Limited (ASX: ABY) (**Adore Beauty** or **Company**) is pleased to announce it has appointed highly experienced retail executive Ms Tamalin Morton to lead the business as Chief Executive Officer, effective 9 January 2023.

Tamalin brings more than two decades' retail leadership to Adore Beauty, including CEO, General Manager and Chief Operating Officer roles at Best Friends Pets and My Pet Warehouse, Australian Pharmaceutical Industries' Priceline (API), Kathmandu (ASX:KMD), and Spotlight Retail Group.

As CEO of Best Friends Pets and My Pet Warehouse, Tamalin significantly increased sales and profitability over three years, supporting its acquisition by Petspiration Group. Prior to that, Tamalin led the Priceline and Priceline Pharmacy unit at API before its acquisition by Wesfarmers, driving like-for-like sales growth and overseeing the Sister Club, one of Australia's largest loyalty programs.

Commenting on the appointment, Chair Marina Go said, "Tamalin's extensive industry experience will be instrumental in fast-tracking our growth, and delivering on our strategic initiatives to increase revenue, customers, and margins over the short and longer term. She brings relevant category experience and a proven track record of driving growth within omni-channel, high-growth entrepreneurial businesses.

"Tamalin's customer-centric approach and focus on team culture aligns with Adore Beauty's values. The Board is particularly excited by Tamalin's ability to scale businesses quickly. Importantly, Tamalin's marketing credentials will be invaluable as the industry continues to navigate higher customer acquisition costs."

Ms Morton said, "I have closely followed the Adore Beauty business for many years, first from a competitive perspective and then as a loyal, returning consumer. Adore Beauty is at an exciting juncture in its growth trajectory with two owned brands now successfully launched, and the structural shift to e-commerce well underway. In addition to the business' clear growth strategy, I see additional opportunities for Adore Beauty to capitalise on its market-leading position to increase basket size, order frequency, and profitability.

"I'm looking forward to working with Adore Beauty's skilled and passionate team, and to increase value for our customers, brand partners and shareholders."

Tamalin replaces departing CEO Tennealle O'Shannessy, who will leave the business on 30 December 2022. Founders Kate Morris and James Height will assume co-CEO roles for the interim period following Tennealle's departure and Tamalin's commencement. There will be no change to their remuneration over this period.

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Ms Morton has a Master's degree in English Language from the University of Oxford (UK), an MBA from Melbourne Business School, and is a Graduate from the Australian Institute of Company Directors.

Key terms of the appointment are summarised in Appendix A.

## **This announcement was authorised by the Board of Directors**

For more information, please contact:

### **Investors**

Eric Kuret, Automic Group

[eric.kuret@automicgroup.com.au](mailto:eric.kuret@automicgroup.com.au)

+61 417 311 335

### **Media**

Tristan Everett, Automic Group

[tristan.everett@automicgroup.com.au](mailto:tristan.everett@automicgroup.com.au)

+61 403 789 096

## **About Adore Beauty**

Launched in 2000 as Australia's first beauty focused e-commerce website with a vision to help customers feel more confident and fabulous every day by delivering an empowering and engaging beauty shopping experience personalised to their needs. Adore Beauty has evolved to an integrated content, marketing and e-commerce retail platform that partners with a broad and diverse portfolio of more than 270 brands and 12,000 products.

Adore Beauty operates in Australia and New Zealand. For further information please visit [www.adorebeautygroup.com.au](http://www.adorebeautygroup.com.au)

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## Appendix A – Summary of Material Terms and Conditions of Employment of Tamalin Morton

Item	Term
<b>1 Position</b>	Chief Executive Officer
<b>2 Commencement Date</b>	9 January 2023
<b>3 Term</b>	No fixed term, ongoing until terminated by either party in accordance with the Executive Service Agreement.
<b>4 Probation Period</b>	6 months
<b>5 Remuneration</b>	\$510,000 per annum (exclusive of superannuation)
<b>6 Short Term Incentive</b>	<p>Subject to the discretion of the Board, Tamalin Morton may be eligible to participate in any Short Term Incentive plan (<b>STI</b>) established by Adore Beauty in which senior executives of the Group will be eligible to participate.</p> <p>In respect of FY23, there will be an opportunity for Tamalin Morton to participate in the STI plan and receive a maximum of \$100,000 (50% to be paid in cash and 50% to be paid in the form of Adore Beauty equity).</p> <p>The award of the STI to Tamalin Morton will be subject to financial results and individual performance, as determined by the Board.</p>
<b>7 Restraint</b>	Tamalin Morton is subject to restraint and non-solicitation restrictions for up to 9 months.
<b>8 Termination</b>	Either party can terminate Tamalin Morton's employment by giving the other party 6 months' notice in writing (or payment in lieu of notice of part or all of the notice period). The employment may be terminated immediately in certain prescribed circumstances.
<b>9 Long Term Incentive</b>	Subject to the discretion of the Board, Tamalin Morton will be eligible to participate in any long term incentive plan, subject to the rules ( <b>Rules</b> ) of the Equity Incentive Plan ( <b>Plan</b> ) established by Adore Beauty in which senior executives of the Group will be eligible to participate from time to time.
<b>10 Long Term Incentive – Options</b>	<ul style="list-style-type: none"> <li>Tamalin Morton will be invited by Adore Beauty to receive 500,000 Options with an exercise price equivalent to the volume weighted average price of Adore Beauty shares for the 30 days up to and including the trading date immediately prior to the execution date of the Executive Service Agreement (<b>Exercise Price</b>).</li> </ul>

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Item	Term
	<ul style="list-style-type: none"> <li>• Subject to Tamalin Morton's continued employment with the Group, the Options will vest over a three year period from the Commencement Date:               <ul style="list-style-type: none"> <li>○ 100,000 Options to vest on the six month anniversary of the Commencement Date; and</li> <li>○ the remaining 400,000 Options to vest on a quarterly basis following the six month anniversary of the Commencement Date and ending on the three year anniversary of the Commencement Date in equal tranches (for the avoidance of doubt 40,000 Options to vest on a quarterly basis over ten tranches up to the three year anniversary of the Commencement Date).</li> </ul> </li> <li>• Following vesting, Adore Beauty will issue Tamalin Morton a vesting notice confirming the vesting of the Options.</li> <li>• Subject to the Options not having lapsed in accordance with the Rules, vested Options may be exercised at any time (subject to the Adore Beauty Securities Trading Policy and applicable law) from the date specified in the vesting notice until the Expiry Date (which is 10 years after the grant date of Options) by Tamalin Morton giving an exercise notice to the Company and paying the Exercise Price.</li> <li>• Unless the Board determines otherwise, if Tamalin Morton ceases to be employed by the Group in 'good leaver' circumstances (including due to death, terminal illness, total and permanent disablement, mental illness, genuine redundancy or retirement), Tamalin Morton will be entitled to retain a pro-rata amount of her unvested Options based on the proportion of the Performance Period which has elapsed at the date that employment ceases, and all other unvested Options will be forfeited or lapse. Any retained Options will remain subject to any applicable conditions.</li> <li>• If Tamalin Morton ceases to be employed by the Group in 'bad leaver' circumstances (ie where Tamalin Morton is not a 'good leaver'), unless the Board determines otherwise, all of Tamalin Morton's unvested Options will lapse, and Tamalin Morton will be required to exercise any vested Options within 60 days or they will also lapse.</li> <li>• The Board has discretion to determine the treatment of Tamalin Morton's unvested and vested Options and</li> </ul>

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	the timing of such treatment, in accordance with the Rules – note the following provisions: reorganisation of capital, change of control or a divestment of a material business.
<b>11 Long Term Incentive – Performance Rights</b>	<p>Tamalin Morton will be invited by Adore Beauty to receive:</p> <ul style="list-style-type: none"> <li>• <b>Tranche 1</b> – 350,000 Performance Rights that vest if the volume weighted average price of Adore Beauty shares for any consecutive 60 day period is \$2.50 or higher.</li> <li>• <b>Tranche 2</b> – 500,000 Performance Rights that vest if the volume weighted average price of Adore Beauty shares for any consecutive 60 day period is \$4.75 or higher.</li> <li>• <b>Tranche 3</b> – 650,000 Performance Rights that vest if the volume weighted average price of Adore Beauty shares for any consecutive 60 day period is \$6.75 or higher.</li> <li>• If the Tranche 1, Tranche 2 or Tranche 3 Performance Rights vest, shares will be allocated to Tamalin Morton as soon as practicable following confirmation of vesting.</li> <li>• Subject to Performance Rights not having lapsed in accordance with the Rules, Performance Rights will lapse on the Expiry Date (which is 90 days after the date at which the full year results for FY26 are released to ASX by Adore Beauty).</li> <li>• Generally, if Tamalin Morton ceases employment for any reason, all of Tamalin Morton's unvested Performance Rights will automatically lapse on cessation of employment.</li> <li>• The Board has the discretion to determine that a different treatment should apply at the time of cessation of employment.</li> <li>• The Board has discretion to determine the treatment of Tamalin Morton's Performance Rights and the timing of such treatment, in accordance with the Rules – note the following provisions: reorganisation of capital, a change of control or a divestment of a material business.</li> </ul>