



17 April 2023

Material terms of CEO and Managing Director's employment agreement

Further to its announcement to ASX on 27 March 2023, Redbubble Limited (ASX: RBL) advises that the terms of Martin Hosking's appointment have been finalized and the parties have entered into an employment agreement. The material terms of the agreement are set out in Annexure A.

This announcement was authorized for lodgment by the Redbubble Limited Chair.

For further information, please contact:

Virginia Spring
VP, Investor Relations
virginia.spring@redbubble.com

About Redbubble Group

Founded in 2006, the Redbubble Group incorporates Redbubble Limited and its subsidiaries, including TP Apparel LLC (TeePublic). The Redbubble Group owns and operates the leading global online marketplaces, Redbubble.com and TeePublic.com. The Redbubble Group's community of passionate creatives sell uncommon designs on high-quality, everyday products such as apparel, stationery, housewares, bags, wall art and so on. Through the Redbubble and TeePublic marketplaces, independent artists are able to profit from their creativity and reach a new universe of adoring fans. For the artists' customers, it's the ultimate in self-expression. A simple but meaningful way to show the world who they are and what they care about.



Annexure A: Material Contract Terms

The material terms of Martin Hosking's engagement as CEO and Managing Director are as follows:

1. Martin's employment agreement is effective from 27 March 2023 and replaces and supersedes any previous agreement with the Company in respect of his directorship of the Company.
2. Cash remuneration of \$400,000 per annum (including superannuation).
3. Subject to obtaining all necessary shareholder approvals, the Company having sufficient capacity under its employee incentive plan at the relevant grant date, and Martin remaining employed as at the date of the offer and the date of issue, Martin will receive the following annual equity grants during his employment, pursuant to the Redbubble Executive Compensation Model Rules (**RECM Rules**):
 - a. as a base incentive, an award of zero-priced options (**ZPOs**) exercisable into ordinary shares in the Company (**Shares**) (or similar equity right) with a value of \$200,000, for each year of service, including the pro rata number of ZPOs in respect of the first year. Accordingly, subject to obtaining shareholder approval at the 2023 annual general meeting (**2023 AGM**), Martin will be issued 222,060 ZPOs (**Initial ZPOs**) for the period 1 April 2023 to 30 September 2023 (**Initial Period**); and
 - b. as a long-term incentive, an award of share appreciation rights (**SARs**) (or similar equity right) with a value of \$600,000, for each year of service, including the pro rata number of SARs in respect of the first year. Accordingly, subject to obtaining shareholder approval at the 2023 AGM, Martin will be issued 973,664 SARs (**Initial SARs**) for the Initial Period.
4. Pursuant to the RECM Rules, ZPOs and SARs granted to Martin will be subject to the following terms:
 - a. the number of ZPOs to be issued each year will be calculated by reference to the 30-calendar day volume weighted average price of Shares (**30 Day VWAP**) immediately prior to 1 October of the grant year;
 - b. the number of SARs to be issued each year will be calculated by reference to the Black Scholes valuation using the 30 Day VWAP of Shares immediately prior to 1 October of the grant year;
 - c. the exercise price of ZPOs (including the Initial ZPOs) is \$0.00;
 - d. the strike price of SARs will be the 30 Day VWAP immediately prior to 1 October of the grant year, subject to adjustment at the Board's discretion if it considers there have been unusual trading circumstances. The strike price for the Initial SARs is \$0.4639;
 - e. ZPOs will vest 12 months after the relevant grant date, provided Martin remains employed as CEO and Managing Director at the time of vesting. The Initial ZPOs will vest on 1 April 2024;
 - f. SARs will vest, subject to Martin remaining employed as CEO and Managing Director at the time of vesting, on achievement of a compounding return target on any of the third, fourth or fifth anniversaries of the relevant grant date. The compounding return target is based on a 10% per annum Total Shareholder Return (**TSR**) from the grant date. TSR is calculated as the total of the share price appreciation plus any dividends paid during the period. In respect of the Initial SARs, the 10% per annum TSR will be measured from the



strike price of \$0.4639 with the testing points on any of 1 October 2025, 1 October 2026 and 1 October 2027;

- g. the total value exceeding the aggregate strike price of SARs may be exercised into Shares or paid in cash, at Redbubble's discretion;
 - h. a holding period will apply to ZPOs, SARs and any resulting Shares for 12 months following vesting, and will continue to remain in place in the event of cessation of employment;
 - i. in the event of Martin's resignation or termination, unvested ZPOs will be forfeited and Martin will retain a prorated portion of unvested SARs, subject to service and eligibility conditions;
 - j. the Board retains discretion in respect of adjustment of vesting of awards and pro rata vesting in select circumstances (subject to applicable laws and ASX Listing Rules); and
 - k. ZPOs and SARs will expire 6 years after the relevant grant date, or 90 days after the date of resignation or termination (subject to the Board's discretion and applicable laws and ASX Listing Rules).
5. Either party may terminate the employment agreement for any reason on giving three months' notice, unless a shorter notice period is mutually agreed by the parties. Redbubble may elect to make a payment in lieu of the notice period.
6. Martin's engagement is otherwise on customary terms for an agreement of this nature.