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ASX & MEDIA RELEASE

MANAGING DIRECTOR SIGNS NEW EMPLOYMENT AGREEMENT

MELBOURNE, AUSTRALIA (7th December, 2015)

The MEO Board of Directors MEO Australia Limited (ASX: **MEO**) is pleased to announce that Managing Director and Chief Executive Officer Mr Peter Stickland has signed a new employment agreement, effective 1st December 2015. Mr Stickland had previously signed a one-year fixed term contract, ending 18th December 2015.

A summary of the key terms and conditions of the new employment contract are attached. In line with the Company's fiscal discipline, remuneration set out in the agreement includes a portion of the Total Fixed Remuneration granted as Exercisable Performance Rights, therefore reducing the cash component of the annual salary.

Recently appointed MEO Chairman, Mr Andrew Purcell, said the Board was delighted that Peter has agreed to the new contract and can continue with his efforts to lead and rebuild the Company.

"Peter has shown strong leadership and a determination to achieve success for MEO's shareholders in his first year as Managing Director. Peter is the right person to lead MEO as we seek to create shareholder value in a challenging business environment," said Mr Purcell.

Andrew Purcell
Chairman

Summary of Key Terms and Conditions of Employment of Mr Peter Stickland

Term: From 1 December 2015 until either the Company or Mr Stickland terminates the Agreement

Notice: The Company may terminate the agreement at any time by giving the Executive 3 Months' notice. Mr Stickland may terminate the agreement at any time by giving 3 Months' notice in writing to the Company.

Base Salary: Total Fixed Remuneration is set at \$400,000 (including compulsory superannuation) which is reviewed on an annual basis. As approved by shareholders at the 2015 Annual General Meeting, 20% of the Total Fixed Remuneration (i.e. \$80,000) will be granted as Exercisable Performance Rights, thus reducing the cash component of annual remuneration from \$400,000 to \$320,000 per annum for the period 1 December 2015 to 30 November 2016.

Short Term Incentive: Mr Stickland will be eligible to participate in the Company's short term incentive plan (STI Plan) each year (or part thereof) during the Term. The Executive's participation in the STI Plan, and all payments and benefits under the STI Plan, are at the absolute discretion of the Board.

Long Term Incentive: Subject to receiving any required or appropriate shareholder approvals, Mr Stickland will be eligible to participate in the Company's long term incentive arrangements (as amended or replaced) from time to time on terms to be decided by the Board.

Payments on Termination

If the Executive's employment is terminated by reason of Fundamental Change or by the Company for other reasons, the Company must, pay the Executive a lump sum amount (Separation Amount) up to the Total Fixed Remuneration for the 6 months immediately preceding the Termination Date.