

21 May 2018

APPOINTMENT OF GROUP MANAGING DIRECTOR & CEO AND ADDITIONAL EXECUTIVE DIRECTOR

Vocus Group Limited (ASX: VOC) is pleased to announce the appointment of Kevin Russell as its Group Managing Director & CEO, with a commencement date of 28 May 2018. In addition to Mr. Russell joining the Vocus Board, Mark Callander, CEO of Vocus New Zealand, will also join the Vocus Board on 28 May as an Executive Director.

Mr. Russell is an internationally experienced CEO with more than 20 years in the telecommunications industry in Australia, the UK, USA and Israel. During this time, he has demonstrated his ability to lead change and drive substantial improvement in business performance, notably leading Hutchison Three UK Ltd through a £1 billion turnaround, from a £900 million loss in 2006 to £100 million profit in 2010. His recent roles at Telstra (Group Executive, Retail) and Singtel Optus (Country Chief Officer & CEO, Consumer) give him a deep understanding of the Australian landscape, particularly the NBN, and how it is shaping the local telecommunications industry.

Vocus Chairman Bob Mansfield said, “Kevin is a highly experienced and respected CEO. He has an excellent mix of skills and the demonstrated strategic ability to improve business performance.

“Corporate activity in earlier years has created a platform that makes Vocus competitive with the majors and opens up significant future growth opportunities. The Board is very pleased that Kevin will be leading Vocus through its next stage; building a high-performance team that is focused on developing and executing a strategy to deliver the potential value within the Company.

“The appointment of Mark Callander to the Board recognises the important contribution of the NZ business to the Vocus Group. Mark brings to the Board an extensive understanding of the New Zealand market, together with the lessons learned through the successful integration of prior acquisitions. Under Mark’s leadership, our New Zealand business is delivering the value promised by earlier transactions and has overcome many of the challenges which currently face our Australian business.

“The Board thanks Michael Simmons for his excellent stewardship of the company during his time as Interim Group CEO, as he now returns to his position as Chief Executive – Enterprise & Wholesale,” concluded Mr Mansfield.

Incoming Group Managing Director & CEO, Mr. Russell, said, “The Vocus business has excellent foundations upon which to build. I am very energized to work with a Board that is clearly leading change and renewal from the top. In the rapidly changing Australian telecoms landscape, there is a real opportunity to lead this Company to its fullest potential by challenging existing business models and delivering exceptional value to customers.”

The material terms of the Group Managing Director & CEO’s contract, and the Executive Director’s contract, are outlined in Schedule 1.

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About Vocus (ASX: VOC): Vocus Group is an ASX listed, vertically integrated telecommunications provider, operating in the Australian and New Zealand markets. The Company owns an extensive national infrastructure network of metro and back haul fibre connecting all capital cities and most regional cities across Australia and New Zealand. Vocus owns a portfolio of brands catering to corporate, small business, government and residential customers across Australia and New Zealand. Vocus also operates in the wholesale market providing high performance, high availability and highly scalable communications solutions which allow service providers to quickly and easily deploy new services for their own customer base.

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SCHEDULE 1

Summary of material terms of employment agreement of Kevin Russell

1. Appointment

The appointment is to the position of Group Managing Director and CEO of Vocus Group Limited. Kevin Russell will also join the Board of Directors of Vocus Group Limited.

2. Term

The appointment will commence on 28 May 2018 (commencement date) and has no fixed term. It is subject to termination provisions in the agreement.

3. Remuneration

There are two components to Kevin Russell's remuneration:

- (a) Fixed remuneration: The fixed remuneration component is \$1,100,000 per annum, inclusive of cash salary and superannuation (Fixed Remuneration). This will be reviewed annually.
- (b) Variable incentive: Vocus is in the process of revamping its Executive Variable Incentive Plan and will provide further details of that Plan in its 2018 Annual Report. Kevin Russell will be eligible to participate in Vocus Group's Variable Incentive Plan from FY19 onwards. Vocus will determine what incentives will be offered to Kevin Russell for FY19, but the total opportunity will be no less than \$1,100,000. To the extent any performance rights and/or other equity incentives are offered to Kevin Russell, they will be subject to shareholder approval at the next annual general meeting.

4. Termination

Mr Russell's employment may be terminated on:

- (a) 6 months' notice by Mr Russell;
- (b) 6 months' notice by the company for cause; or
- (c) 12 months' notice by the Company for any other reason.

Vocus Group may elect to make a payment in lieu of some or all of the notice period.

If the CEO ends his employment because there is a fundamental change in his role or responsibilities without his consent, the CEO will receive a payment equivalent to 9 months' Fixed Remuneration, after providing 3 months' notice of cessation.

6. Restrictions

The agreement contains post-employment restraints, which are usual for these arrangements.

ASX/Media Release

Summary of material terms of employment agreement of Mark Callander

The key terms of Mr Callander's employment contract with Vocus are set out in the Vocus Group Limited 2017 Annual Report, and have not been amended as a result of this appointment. Mr Callander's remuneration consists of a fixed remuneration of NZ\$600,000 and a variable incentive opportunity totalling NZ\$600,000. As stated above, Vocus is in the process of revamping its Executive Variable Incentive Plan, further details of which will be outlined in Vocus' 2018 Annual Report.