

# Domain

## ASX ANNOUNCEMENT

### Jason Pellegrino appointed Domain CEO

**Sydney, 3 July 2018:** Domain Holdings Australia Limited [ASX:DHG] (“**Domain**” or “**Company**”) today announced the appointment of Jason Pellegrino to the role of Managing Director and Chief Executive Officer (CEO), effective 27 August 2018.

Jason joins Domain from Google where he has been Managing Director Australia and New Zealand since May 2016 and a member of the Asia-Pacific regional leadership team.

On behalf of the Domain Board, Chairman Nick Falloon said: “We are delighted to have Jason join Domain as CEO. Jason’s career as a digital executive with deep experience in sales, strategy, operations and product and technology speaks for itself. His leadership acumen and track record for inspiring and driving performance at Google will greatly assist him to take Domain, and its many talented people, into an exciting next stage of growth.”

Jason joined Google in 2008 and held a range of leadership positions before being appointed Managing Director Australia and New Zealand. These included Managing Director of Asia-Pacific Sales Operations & Strategy; Sales Director, Australia; and Head of Sales and Operations & Strategy for Google’s Australia & New Zealand business.

Prior to joining Google, Jason worked in several roles over 15 years spanning corporate strategy, mergers and acquisitions and finance at Dakota Capital Partners, LEK Consulting, PepsiCo International and KPMG.

He holds a Bachelor of Commerce degree from the University of Wollongong and an MBA from London Business School.

Commenting on his appointment, Jason said: “I am delighted to be joining the incredibly talented team at Domain and I can’t wait to be part of the exciting growth journey ahead. I have spent close to a decade with Google and consider myself enormously lucky to have worked with fantastic colleagues, partners and customers, dealing with the rapid shift in technology, from desktop, to smartphone and now the AI powered world ahead. Throughout this time, I have always prided myself on supporting the growth of incredibly strong teams and establishing transparent and trusting relationships with partners and customers, something I am looking forward to continuing as I join Domain.”

The Domain Board ran a comprehensive global search for the role attracting a strong field of international and local candidates.

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Mr Falloon will continue as Domain's interim Executive Chairman until Jason joins Domain, after which time he will resume his role as Non-Executive Chairman.

In accordance with ASX Listing Rule 3.16.4, the key terms of the Executive Services Agreement between Mr Pellegrino and the Company in respect of his role as Managing Director and CEO are set out in the attached summary.

## Summary of the key terms of the executive service agreement (ESA) appointing Mr Jason Pellegrino as Managing Director and Chief Executive Officer of Domain Holdings Australia Limited

### Term

Mr Pellegrino's appointment is on an ongoing basis commencing 27 August 2018. Domain may terminate the ESA by giving 12 months' notice or payment in lieu and Mr Pellegrino may terminate by giving Domain 6 months' notice.

Domain may terminate the ESA immediately without notice in certain circumstances including serious misconduct or material breach of the agreement (Cause).

Mr Pellegrino may terminate if there is a fundamental change in his role (Fundamental Change). If termination occurs in these circumstances Mr Pellegrino is entitled to payment in lieu of 12 months' notice by the company.

### Remuneration

#### *Total fixed remuneration:*

Mr Pellegrino will be paid fixed remuneration benefits including superannuation of \$1,200,000 reviewed but not necessarily increased annually (Fixed Remuneration).

#### *Short term incentive:*

Mr Pellegrino will be eligible to participate in the Domain short term incentive plan. His achievement will be based on a mix of financial and personal performance metrics set by the Board annually. At target opportunity is to the value of the equivalent of 60% of his Fixed Remuneration with a maximum opportunity of up to 80%.

#### *Long term incentive:*

Mr Pellegrino's long term incentive plan (subject to any requirement for shareholder approval) is an annual allocation of options over Domain shares equivalent in value to 120% of his Fixed Remuneration (Options). The value of each Option for the purpose of allocation will equal 30% of the volume weighted average price on market of Domain shares over the relevant allocation value period (VWAP). The exercise price of each Option will be the relevant VWAP used for allocation.

Vesting of the Options will depend on the achievement of performance hurdles based on Total Shareholder Return over a 3 year period. The Options to be allocated based on Mr Pellegrino's first year of employment will be tested at 30 June 2021.

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The table below sets out the vesting schedule.

Absolute TSR over the Performance Period)	% of Options that become exercisable
Less than 10% CAGR	Nil
10% CAGR (threshold performance)	20%
Between 10% and 15% CAGR	Straight line pro rata vesting between 20% and 40%
15% CAGR	40%
Between 15% and 20% CAGR	Straight line pro rata vesting between 40% and 70%
20% CAGR	70%
Between 20% CAGR and 25% CAGR	Straight line pro rata vesting between 70% and 100%
25% CAGR or above	100%

## Sign on arrangements:

Mr Pellegrino will be paid a cash bonus of \$500,000 on 31 December 2018 unless he is no longer employed by the company on that date.

Subject to required shareholder approval the company will allocate to Mr Pellegrino a number of shares in the company equivalent in value to \$2,000,000 (Engagement Shares). The Engagement Shares will vest on the second anniversary of his employment date subject to him remaining an employee of the company.

## Termination entitlements

If Mr Pellegrino's employment is terminated by the Company for Cause or if he gives notice other than in circumstances of a Fundamental Change then his rights to the Engagement Shares and any unvested Options will lapse.

If his employment is terminated by Domain for any reason other than for Cause or if terminated by Mr Pellegrino due to Fundamental Change then any unvested Engagement Shares and Options will remain on foot and vest in accordance with their terms subject to the Board having a discretion to reduce the number of Engagement Shares and Options that are equivalent to the vesting relevant vesting period that has elapsed at the termination date.

## Ends

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