

The Manager – Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

1 February 2019

CHANGES IN LEADERSHIP RESPONSIBILITIES TO SUPPORT GROWTH STRATEGY

1. Acceleration of COG's in-house product development strategy and funding sources to leverage the significant distribution platform it has established

In December 2015, Consolidated Operations Group Limited (ASX: COG) commenced its strategic plan to become a key trusted advisor to the small- medium enterprise (SME) sector via the acquisition of interests in asset finance brokers and aggregation platforms. Over the past three years, COG has established a nationwide distribution capability with critical mass. In FY18, COG settled \$3.4 billion of net asset finance through its finance broking aggregation platforms. At the 2018 AGM, COG advised that its annualised net asset finance settlements were running at approximately \$4.3 billion, reflecting the contribution of acquisitions made in 1H FY19. COG estimates it now accounts for around 14% of annual net asset finance settled by finance brokers in Australia, representing the largest finance broker aggregation platform in Australia. COG will continue to assess further potential investments in SME focused asset finance brokers to further enhance its distribution capabilities.

With its strong distribution network, COG is now focusing on leveraging its distribution network by expanding COG's in-house financial product portfolio and funding sources. COG is accelerating the establishment of a prime auto & equipment loan product for SMEs as well as an auto loan product for consumers. This will be supported through the establishment of external funding sources (bank warehouse facilities and securitisation programs).

2. Changes in leadership responsibilities to support strategic focus

- **Patrick Tuttle appointed Non-Executive Chairman**
- **Bruce Hatchman continues as an independent Non-Executive Director**
- **Cameron McCullagh moves from Managing Director and CEO to a new role as Executive Director responsible for Finance Broking and Aggregation Businesses**
- **Andrew Bennett appointed Group CEO**

To support this next stage in its growth strategy, COG has made the following changes in leadership responsibilities, effective today.

2.1 Chairman – Independent, non- executive Director **Patrick Tuttle** has been appointed Non-Executive Chairman, replacing Bruce Hatchman who will continue to serve as an independent non-executive Director. Patrick was previously Managing Director and co-Group CEO of ASX listed Pepper Group Limited (Pepper) from early 2008 until March 2017. In that role he led the transformation of Pepper from an Australian specialist mortgage lender into a large-scale financial services firm with more than 2,000 employees and AUM in excess of A\$50 billion. Pepper was acquired by KKR Credit Advisors in November 2017 for approx. A\$682m.

As part of his new role, Patrick will also assume greater responsibility for COG's market communications and investor relations together with the CEO.

2.2 Executive Director - Head of Finance Broking and Aggregation - **Cameron McCullagh** will move from his group Managing Director role to a new role as an Executive Director with specific responsibility for heading COG's Finance and Aggregation business and driving its performance and growth. Cameron has overseen the establishment of COG's significant distribution network with strong relationships with the individual firms making up the business unit. Cameron will continue as a COG Board member. He and his family hold a 19% interest in COG.

2.3 Group Chief Executive Officer (CEO) – **Andrew Bennett** has been appointed Group CEO. Andrew joined COG in June 2018 responsible for funding and management across the business. He has been involved in the non-bank finance sector for 20 years, including establishing the wholesale funding arrangements for zipMoney (ASX: Z1P) and Think Tank Commercial Property where he was CFO and CIO.

The above changes in leadership responsibilities support COG's strategic focus and objectives of becoming a leading trusted advisor to SMEs together with growing shareholder value. There is no change to any other key management executive roles and they will report directly to Andrew Bennett as the new Group CEO.

3. Expected 1H FY19 Results Release Date

COG expects to announce its 1H FY19 results on 26 February 2019.

Andrew Bennett
CEO
0405 380 241

Cameron McCullagh
Executive Director
0439 998 818

Attachments

Summary of Material Terms of Andrew Bennett's Executive Services Agreement

Position	Group Chief Executive Officer
Commencement Date	31 January 2019
Salary	\$385,000 (including superannuation) reviewed annually
Incentives	Mr Bennett may be eligible to receive an annual short-term incentive (STI) with a maximum value of \$100,000, subject to the satisfaction of performance criteria determined by the Board.

Options

Options will be granted to Mr Bennett by COG as follows:

- (1) On the original Commencement Date (1 July 2018), with a value of \$240,000 (based on aggregate exercise price)
- (2) On the first anniversary of the Commencement Date, with a value of \$100,000
- (3) On the second anniversary of the Commencement Date, with a value of \$100,000

The exercise price for each option is 110% of the average COG share price for the 3 months prior to the issue date.

The options must be exercised prior to 3 years after issue and will lapse on termination of the Employment for any reason.

In the event of a change of control of COG Mr Bennett is entitled to a severance package based on 12 months base salary (including notice period and any redundancy entitlements) and vesting of granted options.

Summary of Material Terms of variation to Cameron McCullagh's existing Executive Services Agreement

Position	Executive Director, part-time 3 days per week
Commencement Date	31 January 2019
Role:	Head of Finance Broking and Aggregation
Salary	\$250,000 (inc superannuation) reviewed annually

Subject to COG shareholder approval, Mr McCullagh will receive \$150,000 of the salary in the form of COG share options.

Leave Entitlements	8 weeks paid annual leave each year.
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