

## Australian Ethical Investment Limited appoints John McMurdo as Chief Executive Officer and Managing Director as ethical investing comes of age

### ASX ANNOUNCEMENT

#### **John McMurdo appointed as Chief Executive Officer and Managing Director with Acting CEO Steve Gibbs to resume position as Chair of the Board**

**Sydney** Australian Ethical Investment Limited (ASX: AEF) today announced that its Board of Directors has appointed John McMurdo as Chief Executive Officer and Managing Director.

Mr McMurdo starts on 10 February 2020 with Acting CEO Steve Gibbs set to resume his position as Chair of the Board, replacing Acting Chairman Michael Monaghan, who remains on the Board of Directors.

Mr McMurdo is an experienced CEO and director with a proven history of growth and success in the financial services industry. His appointment follows the decision by former CEO Phil Vernon to step down from the leading ethical fund manager in August 2019.

Acting Chair of the Board Michael Monaghan said: “The Board and I are delighted that John has agreed to join us. With over 30 years’ experience in investment management, advice and banking across Australia and New Zealand, we are fortunate to have someone of his calibre step up to lead Australian Ethical as what we do moves from the margins to the mainstream.

“In considering this appointment, the Board was determined to ensure that Australian Ethical’s unique culture as a purpose-driven organisation was maintained while also growing the business in response to the boom in ethical investing.”

With \$3.87 billion in funds under management<sup>1</sup>, Australian Ethical has been providing Australians with wealth management products that align with their values and deliver strong returns since 1986. Investments are guided by the Australian Ethical Charter which shapes its ethical approach and underpins its culture and vision.

Mr McMurdo said: “Australian Ethical is one of those rare companies to have truly revolutionised the world by making money do good and it was clear that seeking a values-aligned leader was a priority for the Board.

“I couldn’t be more honoured to have been chosen to lead the company at a time when it has never been so important to invest for a better tomorrow.

“I believe that the opportunities for Australian Ethical as an established leader in ethical investing are many and am looking forward to working with the talented, purpose-driven team and capitalising on their passion for making a difference.”

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<sup>1</sup> As at 31 December 2019

Australian Ethical is one of the country's fastest growing super funds<sup>2</sup> as Australians increasingly realise they can invest in a way that helps rather than harms the planet without sacrificing returns.

Acting CEO Steve Gibbs said: "Australians are becoming much more discerning about what their money is supporting which puts us at a critical moment for our business.

"In appointing a new CEO and Managing Director, the Board took the thoughtful approach that our members, employees and shareholders expect and deserve.

"And while it has been a pleasure to lead Australian Ethical as Acting CEO, I'm confident that under John's guidance we will continue to fulfil the trust our members have in us and deliver the results they want for themselves as well as people, planet and animals."

Mr McMurdo's biography and a summary of material terms of his executive service agreement are attached.

This announcement is authorised by the Board.

- Ends -

## About Australian Ethical

Australian Ethical is Australia's leading ethical wealth manager. Since 1986, Australian Ethical has provided investors with wealth management products that align with their values and deliver strong returns. Investments are guided by the Australian Ethical Charter which both shapes the Company's ethical approach and underpins its culture and vision.

Australian Ethical has \$3.87 billion in funds under management as at 31 December 2019.

[www.australianethical.com.au](http://www.australianethical.com.au)

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<sup>2</sup> KPMG Super Insights Report 2019. Published 15 April 2019 (Source: APRA Annual Fund level Superannuation Statistics June 2018)

## John McMurdo

### Incoming Chief Executive Officer, Australian Ethical Investment Ltd

John McMurdo has over 30 years' experience in investment management, advice and banking across Australia and New Zealand, including 16 years in CEO roles at several leading investment and wealth management businesses.

John was most recently Group Managing Director of Fitzpatricks Financial Group, a national organisation advising on funds of over \$7 billion and managing more than \$1.6 billion in retail diversified managed funds and managed accounts at the time of his departure.

Prior to joining Fitzpatricks, John was CEO of Centric Wealth Management and Managing Director of Hillross Financial Services. Previous roles include head of AMP's life insurance business and marketing in New Zealand and senior positions in strategy, marketing and commercial banking with National Australia Bank and Bank of New Zealand.

John has an MBA from Henley Business School, is a graduate of the Australian Institute of Company Directors and a member of the Financial Planning Association of Australia.

## Material Employment Terms

### Appointment

Mr McMurdo will commence as Chief Executive Officer and Managing Director on 10 February 2020.

### Term

Mr McMurdo's contract is a rolling contract with either Mr McMurdo or Australian Ethical able to terminate the contract by giving the other party 6 months' notice.

### Remuneration

There are three key components of Mr McMurdo's remuneration package:

#### Fixed Remuneration

Fixed remuneration of \$430,000 per annum (inclusive of superannuation and any salary sacrifice arrangements), reviewed annually by the Board.

#### Short-Term Incentive.

Potential to earn between 0% and 100% of fixed remuneration per annum.

50% of any STI earned will be paid in cash and 50% in shares. One third of shares will vest after 12 months, one third after 24 months and one third after 36 months. Dividends are payable on unvested shares.

#### Long Term Incentive.

33% of fixed remuneration will be granted as shares each year. These shares will vest 3 years after grant date if performance target is met as per the company's employee share incentive scheme. Dividends are payable on unvested shares.