



ASX Announcement (ASX: LAW)

9 December 2020

## Senior Management Transition

The Board of LawFinance Limited ("Company" or the "Group") wishes to announce the Group's Chief Executive Officer, Ms Diane Jones, has decided to leave the Group to pursue new opportunities following the completion of the refinancing of the US "backbook" receivables of National Health Finance, DM, LLC, including the Michigan sidecar receivables.

The refinancing was expertly led by Diane, on the LawFinance side, and the Board thanks her for the significant commitment and focus she brought to this important project, as well as for her work since joining the Company which has positioned the Company's Australian and US businesses for strong growth as COVID-related restrictions are easing and economic activity is returning to normal.

Chairman Tim Storey said, "Diane has shown invaluable leadership skills since taking over as the CEO and steering the Company through the integration of the National Health Finance business and the challenges of COVID-19. The Board wishes Diane well in her future endeavours."

"I have enjoyed meeting the challenges posed by the diverse LawFinance businesses since I joined in 2016 and I look forward to deploying my skills and experience in new areas and opportunities in the future," said Diane Jones.

Diane will work with the incoming Chief Executive Officer, Daniel Kleijn and the newly appointed Chief Financial Officer, Phil Smith to ensure a smooth transition in the senior management of the Group.

Phil Smith says "I've spent much of my career advising companies on developing and implementing value creation plans, and am thrilled to be joining LawFinance to leverage the significant progress made and capitalise on the highly attractive growth opportunities both in the US and in Australia"

Incoming Chief Executive Officer, Daniel Kleijn, said: "I am truly excited about the prospects of the business and look forward to working with the Board and the Company to simplify the capital structure and refocus the Group to growth in its core activities. With the appointment of Phil Smith as Chief Financial Officer, and with Anthony Hersch continuing as Chief Operating Officer, I believe we have the management structure in place to capitalise on the available opportunities in the industry."

Current Chief Financial Officer, Craig Beatton, will remain with the business transitioning his role to Head of Reporting and Compliance supporting Phil Smith. The Board extends its appreciation to Craig for all his efforts to date and looks forward to his ongoing contribution in his new role.

US based Executive Director, Dave Wattel has agreed to forego his base salary in full from 1 December 2020 and to restructure his remuneration structure effective from 1 January 2021, to be linked exclusively to performance metrics. Dave's go forward remuneration structure will be agreed with the incoming Chief Executive Officer, to ensure alignment with US strategic growth plans

More details on Daniel Kleijn and Phil Smith are in the attached.

**Authorised by:**



Tim Storey  
Non - Executive Chairman

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**Incoming Chief Executive Officer, Daniel Kleijn**

Daniel was a managing director at Lazard and UBS focusing on M&A execution and funding across a variety of industries. During his career, Daniel executed in excess of \$100 billion of completed M&A transactions and more than \$30 billion of restructurings, debt and equity raisings in Australia, Asia, the U.S. and Europe.

It is the Board's expectation that Daniel's experience will be invaluable to lead the Company through the next phase and create significant value for our investors.

Daniel has a Master of Economics from the University of Groningen in the Netherlands and is a mentor to CEOs of charities.

**Chief Financial Officer, Phil Smith**

Phil has 20 years' experience in corporate restructuring and turnaround, leading the development and implementation of value creating plans and restructuring capital structures for companies such as Harris Scarfe and Virgin Australia. Over the last decade Phil has worked for KPMG China and most recently Deloitte in Australia.

Phil joins the Company as Chief Financial Officer, after leading a Deloitte team supporting the Board to undertake a strategic review of the business, working closely with the Group's Syndicate of Lenders. Phil will be assisting the Chief Executive Officer in reviewing the capital structure and driving growth in the Company's financing businesses.

Phil has a Bachelor of Economics and Masters of Commerce in Professional Accounting from Macquarie University.

## Daniel Kleijn - Key Employment Contract Terms

Term	Description
Position	Chief Executive Officer
Term	Commencing on 9 December 2020 on an ongoing basis, subject to termination provisions below.
Remuneration	<ul style="list-style-type: none"> <li>• <b>Fixed remuneration:</b> \$575,000 per annum inclusive of superannuation.</li> <li>• <b>Short term incentive (STI):</b> Daniel will be eligible to participate in STI arrangements offered by LAW from time to time commencing in the 2021 Financial (calendar) year. Daniel will be entitled to up to 75% of his fixed remuneration in the 2021 financial year.</li> <li>• <b>Long term incentive (LTI):</b> Daniel will be eligible to participate in LTI arrangements offered by LAW from time to time. Upon joining LAW, Daniel will be offered a grant of options to acquire 45,833,333 LAW shares with a strike price of \$0.049. The options will vest 3 years from the date of grant and be exercisable for a 1 year period after they vest. These options have an approximate value of \$412,500. In the 2021 financial year, Daniel will be offered a grant of options to acquire LAW shares, with a minimum value of \$412,500. Further details regarding these awards will be determined in the future by LAW, but the terms relating to vesting and exercise of these options will be consistent with those granted to other LAW executives.</li> </ul>
Termination	Either LAW or Daniel can terminate Daniel's employment by giving 6 months' notice in writing. LAW can immediately terminate Daniel's employment in certain circumstances, including Daniel's serious misconduct.
Post – employment restraints	Daniel is subject to various post-employment non-competition and non-solicitation restraints. These restraints apply for up to 9 months after the termination of Daniel's employment.

## Phil Smith - Key Employment Contract Terms

Term	Description
Position	Chief Financial Officer
Term	Commencing on 9 December 2020 on an ongoing basis, subject to termination provisions below.
Remuneration	<ul style="list-style-type: none"> <li>• <b>Fixed remuneration:</b> \$300,000 per annum inclusive of superannuation.</li> <li>• <b>Short term incentive (STI):</b> Phil will be eligible to participate in STI arrangements offered by LAW from time to time commencing in the 2021 Financial (calendar) year. Phil will be entitled to up to 75% of his fixed remuneration in the 2021 financial year.</li> <li>• <b>Long term incentive (LTI):</b> Phil will be eligible to participate in LTI arrangements offered by LAW from time to time. Upon joining LAW, Phil will be offered a grant of options to acquire 25,000,000 LAW shares with a strike price of \$0.049. The options will vest 3 years from the date of grant and be exercisable for a 1 year period after they vest. These options have an approximate value of \$225,000. In the 2021 financial year, Phil will be offered a grant of options to acquire LAW shares, with a minimum value of \$225,000. Further details regarding these awards will be determined in the future by LAW, but the terms relating to vesting and exercise of these options will be consistent with those granted to other LAW executives.</li> </ul>
Termination	Either LAW or Phil can terminate Phil's employment by giving 3 and 6 months' notice respectively, in writing. LAW can immediately terminate Phil's employment in certain circumstances, including Phil's serious misconduct.
Post – employment restraints	Phil is subject to various post-employment non-competition and non-solicitation restraints. These restraints apply for up to 9 months after the termination of Phil's employment.