

ASX Announcement

Group CEO remuneration arrangements following offer

As a result of the receipt of an offer for 100% of the shares of Cover-More Group Limited by Zurich, by way of a Scheme Implementation Agreement (SIA), the Board has offered the Group Chief Executive Officer (CEO), Mike Emmett, a project incentive to ensure continued alignment to shareholder interests. The cash award will provide the Group CEO with the opportunity to earn up to half the Group CEO's annual fixed remuneration for the achievement of project objectives set by the Board.

Additionally, Cover-More confirms the following treatment will apply to the existing executive employment arrangement for Group CEO, in the event the proposed SIA proceeds:

- *Fixed remuneration:* There will be no change to current fixed remuneration.
- *FY17 short-term incentive (STI):* In accordance with the STI plan terms, the Board will assess performance based on existing hurdles, and will exercise discretion to not defer a portion of the award.
- *Outstanding long-term incentive (LTI) awards:* In accordance with the LTI plan rules, the Board will exercise discretion to pro-rate awards for time (measured from the start of the respective performance period to the date the proposed SIA proceeds, rounded up to the nearest full year).
- *Sign-on arrangement:* In accordance with the terms of the sign-on arrangement, the Board will exercise discretion to deliver the sign-on arrangement in cash at the time the proposed SIA proceeds.

ENDS

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