

ASX Announcement

G8 Education Limited
(ASX:GEM)



15 December 2016

G8 Education – Announcement of Leadership Changes

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G8 Education Limited (ASX: GEM) is today announcing changes to its executive leadership team

As part of the Group's ongoing succession management process, the Chairman of G8 Education Limited, Mark Johnson, today announced the following changes to the Group's executive leadership with effect from 1 January 2017:

1. The appointment of Gary Carroll as the new Chief Executive Officer and Managing Director of the Group;
2. Chris Scott, the current Managing Director will remain as an Executive Director of the Company, where he will assist Mr Carroll with the transition into his new role and continue to work on a number of strategic projects; and
3. Jason Roberts, the current Group CEO, will transition into a General Manager – Development role, where he will lead the establishment of a dedicated team to drive development of the Group's network and other revenue growth opportunities.

Mark Johnson said, "With the assistance of executive search firm, Spencer Stuart, the Board has undertaken a thorough assessment of internal candidates and the relevant external market. Gary Carroll was successful in that process"

"Chris Scott and his team have done an excellent job building the G8 Group from small beginnings to become Australia's largest listed and most profitable early education and child care provider. In September 2016, Canstar Blue announced that its most recent customer satisfaction survey had confirmed G8 as Australia's leading child care service provider in 2016."

"Gary Carroll joined G8 recently as its CFO after a successful career in a number of senior roles at Super Retail Group, among others. His experience is almost tailor made for the Group and the Board was impressed with his vision for the business", said Johnson.

A search process to identify Mr Carroll's successor as CFO has commenced.

Contacts for further information

Mr Chris Scott

Mr Gary Carroll

Mr Mark Johnson

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Summary of the Key Terms of the Executive Agreement between G8 Education Ltd and Gary Carroll

1. Commencement Date

Gary Carroll will commence employment in the position of Managing Director and CEO of G8 Education Limited on 1 January 2017. Mr Carroll's appointment is ongoing with no fixed term.

2. Remuneration

Base Fixed Remuneration

Mr Carroll will receive an annual base fixed remuneration of \$725,000. This is exclusive of superannuation which will be paid at the capped statutory rate.

Short-Term Incentive

Mr Carroll will be eligible for an annual short-term incentive (STI) with an opportunity up to 75% of his base remuneration, subject to achievement of key performance indicators determined by the Board. 100% of the STI will be paid in cash, with 50% of the STI being deferred for 12 months.

Long-Term Incentive

Subject to shareholder approval, Mr Carroll will be awarded an annual long term incentive under G8 Education's LTIP of 75% of his total base fixed remuneration. The awards will be subject to applicable vesting conditions determined by the Board. Full details will be provided in the relevant notice of general meeting.

3. Termination

The Agreement may be terminated by either party at any time on 6 months' notice. Mr Carroll's employment may also be terminated immediately without notice for defined causes.

4. Restrictive Covenant

Mr Carroll will be subject to a post -employment restraint for 12 months (less any time spent on garden leave) preventing him from being employed by a competitor (or involved in a competitor's business).

ENDS

Mark Johnson
Chairman