

# **Quantum Energy Limited (ASX:QTM)**

## **Leadership transition and shareholders' meeting to be convened 7<sup>th</sup> February 2017**

### **1. Retirement of Mr Phillip Sidney**

Quantum Energy Limited (ASX:QTM) (Company) wishes to advise that after thirteen years as Managing Director, Mr Phillip Sidney has decided to retire from the Company with effect from 7<sup>th</sup> February 2017. Mr John Walstab will succeed Mr Sidney as Managing Director. Mr Sidney said: "I am very proud of the Company and what has been achieved. While stepping back has not been an easy decision, I feel strongly that the time is right for this transition. I leave full of confidence that the Board and the Company's team of great people will continue to build the Company and I wish them every success".

Mr Drew Townsend, Chairman of the Company said: "I want to acknowledge the great job that Phil has done during his tenure at the Company, in particular his drive and initiative in expanding and broadening the business over the period since the Company's initial listing on ASX".

Mr Townsend further said: "I am pleased to announce the appointment of Mr John Walstab as Phil's successor. John has been in an executive Director role with the Quantum Group since 2004. John has extensive experience across the Quantum Group's Renewable Energy and Medical divisions and is ideally placed to take the business forward. John is currently Managing Director of Quantum's various Healthcare subsidiaries, with over thirty five years experience in the Healthcare sector John has driven strong growth in Australia and internationally over recent years and will take full advantage of opportunities presented in all sectors of Quantum's business".

If mutually agreed, Mr Sidney may provide some consultancy support should the Board determine he can assist with the leadership transition. A summary of the material terms of Mr Walstab's appointment agreement is set out in Annexure A attached.

### **2. Appointment of Mr Angus Mackenzie as Non-Executive Director**

The Company further wishes to advise that effective from 7<sup>th</sup> February 2017, Angus Mackenzie will join the Company's Board as Non-Executive Director. Mr Mackenzie is currently a Director in the Company's wholly owned subsidiary Quantum Capital and Co Pty Ltd.

Mr Mackenzie has extensive investment banking and legal experience in Australian and USA capital markets with senior executive positions in leading international investment banks and law firms. Mr Mackenzie's qualifications include a MBA 2000 (AGSM, Business School of the University of Sydney/UNSW), a Master of Laws 1997, a Bachelor of Laws 1991 and a Bachelor of Arts (Honours) 1987 (University of Melbourne).

Mr Townsend said: "We are delighted to have a person of Angus's calibre and expertise join the Company's Board and we are confident he will make a very strong contribution to the Board".

### 3. Sale of Certain Shares by a Company Related to Mr Phillip Sidney and General Meeting of the Company's Shareholders

In conjunction with the above transition arrangements and his retirement decision, Mr Sidney has informed the Company that he and Crisp Holdings Pty Limited (a company controlled by Mr Sidney and Mr Townsend) have entered into a binding Heads of Agreement with Mr Walstab to sell to Mr Walstab a parcel of shares representing 45.73 % of the issued shares in the Company for an aggregate price of \$3.8 million, (representing 0.816 cents per sale share), with Crisp Holdings Pty Limited retaining a balance holding thereafter representing 28.29 % of the issued shares in the Company. The purchase price is to be paid as to \$1.5m at the time of transfer with the balance (together with interest thereon) payable in 5 equal annual instalments thereafter. As the share acquisition would increase Mr Walstab's holding of shares in the Company to 54.08% the share acquisition can not proceed unless the provisions of Chapter 6 of the Corporations Act have been complied with and accordingly the Heads of Agreement is conditional upon all regulatory requirements being complied with, including the approval of the Company's shareholders being sought and obtained for the share acquisition pursuant to section 611 Item 7 of the Corporations Act. Accordingly the Company will make arrangements to convene a shareholders meeting for this purpose in the coming weeks. The Company will prepare and provide to shareholders an Explanatory Statement setting out all relevant details of the share acquisition and will engage an Independent Expert to report on the fairness and reasonableness of the share acquisition to the non-associated shareholders of the Company.

### 4. Next Steps

The Company's shareholders do not need to take any action at this time. The Company will provide further notification to shareholders once the Independent Expert's Report has been completed and the Notice of Meeting and Explanatory Statement have been finalised and all of this documentation is available to be despatched to shareholders for their review and consideration ahead of the Company's shareholders' meeting.

Mr Drew Townsend  
Chairman  
7<sup>th</sup> February, 2017

## **Annexure A**

Summary of Material Terms of Appointment Agreement between the Company and Mr John Walstab

1. Commencement Date: The Company has appointed Mr Walstab to the position of Managing Director. The appointment is effective from 7<sup>th</sup> February 2017.
2. Term and Notice Period: It is not a fixed contract. Either party may terminate the appointment at any time on six months notice or such lesser period as is mutually agreed.
3. Fixed Remuneration: Mr Walstab is entitled to fixed remuneration of \$295,000 (inclusive of superannuation contributions) per annum. This will be subject to annual review.
5. Post Employment Restraint: Mr Walstab is restrained for six months after termination of his employment with the Company from being engaged directly or indirectly in competition with the Company or from soliciting employees, suppliers or customers away from the Company.