



ASX & MEDIA RELEASE

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Myer announces new CEO and Managing Director

Myer Holdings Limited today announced that John King has been appointed as Chief Executive Officer and Managing Director following an extensive international search.

Myer Executive Chairman, Garry Hounsell said: "John brings over thirty years of highly relevant retail experience across department stores, specialty retailing, premium global brands, wholesale apparel and discount retail."

"During his career, John has gained significant experience across all aspects of merchandise as well as store operations, e-commerce, sourcing and supply chain.

"John will bring a new perspective to Myer and has been given a full mandate by the Board to deliver an improvement in financial performance," Mr Hounsell said.

Mr Hounsell said John is a highly experienced retail executive who led the successful transformation at UK Department Store House of Fraser from 2006, culminating in a sale to Chinese conglomerate Sanpower in 2014.

"Over the course of his tenure at the House of Fraser, John and his team consistently grew revenues, differentiated the product offering and launched a successful online business, improved EBITDA and reduced the Company's debt. They also refurbished more than 70 percent of the property portfolio and implemented a vision, values and culture program.

"John understands fashion retailing and customers, particularly at department stores. He is an excellent candidate to lead Myer and I look forward to working with him to unlock the Company's significant potential and deliver shareholder value," Mr Hounsell said.

Mr King said: "I'm excited to lead this iconic Australian Company, which like all global retailers, is facing significant change in both the retail environment and consumer shopping habits. I'm looking forward to the challenges and opportunities of this role."

For the last three years, Mr King has been living and working in the United States where he has consulted to a variety of US-based retailers and has been actively involved in a number of start-ups.

Mr King will commence work at Myer subject to receiving appropriate visa approval and he will be based in Melbourne. His remuneration arrangements are outlined in Appendix 1.

Appendix 1:

Summary of CEO Contract Terms

Commencement	Date to be confirmed, subject to the appropriate visa approval.
Term	No fixed term. Each party's termination rights under the Contract are set out below.
Total Fixed Compensation (TFC)	AUD \$1,200,000 including superannuation, reviewed annually.
Alignment equity	<p>AUD \$900,000 equity in the form of share rights ("Rights") granted upon commencement of employment.</p> <p>The number of Rights to be granted will be based on the volume weighted average price ("VWAP") of MYR shares over the five trading days immediately prior to the announcement of the appointment.</p> <p>Rights will vest in equal monthly instalments over the three year vesting period.</p> <p>At the end of the three year vesting period, MYR shares will be purchased on-market to satisfy the vested Rights.</p>
Short Term Incentive (STI)	<p>FY18: no participation</p> <p>FY19: no participation</p> <p>FY20: first year of performance assessment – maximum STI opportunity of 80% of TFC, subject to the satisfaction of the performance measures over the 12 month performance period.</p> <ul style="list-style-type: none">• 40% of any STI awarded is deferred into Restricted Shares (subject to service conditions and disposal restrictions for 12-months following allocation)• 60% of STI awarded is delivered in cash <p>Shareholder approval of the potential grant of Restricted Shares is intended to be sought once the FY20 STI award has been finalised.</p>

Long Term Incentive (LTI)	<p>FY18: no participation</p> <p>FY19: maximum LTI Opportunity of 116.67% of TFC (\$1,400,000)</p> <p>FY20: maximum LTI Opportunity of 90% of TFC</p> <p>LTI awards are intended to be granted in the form of Performance Rights under the Company's Long Term Incentive Plan.</p> <p>LTI awards may vest subject to meeting performance criteria, set by the MYR Board at the time of grant, over a three year performance period.</p> <p>The number of LTI awards granted will be determined with reference to the VWAP of MYR shares over the five trading days up to and including the day before the closing date of the FY20 LTI offer.</p> <p>Shareholder approval of the potential grant of LTI awards in FY19 will be sought at the 2018 MYR Annual General Meeting.</p>
Minimum shareholding policy	<p>The CEO will be encouraged to maintain a shareholding equivalent in value to 75% of TFC for the duration of his employment. Equity with no further performance conditions (i.e. service conditions only) will be counted towards the shareholding requirement.</p>
Relocation Support	<p>A reasonable relocation allowance will be provided to support the transition.</p>
Notice Period / Termination provisions	<ul style="list-style-type: none"> • 12 months' notice to be given by either party. The CEO may be required to serve all or part of this period or be paid in lieu of notice at the Board's discretion. • Employment may be ended immediately in certain circumstances, including dishonesty and serious misconduct. • In the event that there is a substantial diminution in the CEO's role or responsibilities as Chief Executive Officer and Managing Director of Myer Holdings, six months' notice may be given by the CEO and he will be entitled to a payment equivalent to 12 months TFC (less any TFC paid during any period served after notice is given or paid in lieu of notice).

Leaver provisions for incentive arrangements	<p>If the CEO resigns or is terminated for cause, Alignment Equity Rights, STI Restricted Shares and LTI awards that are unvested at cessation are forfeited.</p> <p>If the CEO's employment is terminated in 'good leaver' circumstances (including redundancy, death or disability), then:</p> <ul style="list-style-type: none"> • Alignment Equity – Rights remain on foot and vest in the normal way until the end of the three year vesting period, at which time, MYR shares will be allocated. • STI Restricted Shares - pro-rata number (based on the Restriction Period served) remain on foot until the end of the Restriction Period • LTI awards - pro-rata number (based on the Performance Period served) remain on foot until the end of the Performance Period and vest to the extent that the performance conditions are achieved.
Post-employment restraint	<p>12 months from the date the CEO ceases to be actively engaged in Myer Group business.</p>

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