

31 August 2023

ASX ANNOUNCEMENT

Medical Developments Announces changes to CEO remuneration

Medical Developments International Ltd (ASX: MVP) today announced that the Board and Mr Brent MacGregor, CEO, have agreed on changes to the CEO's remuneration package, effective 1 July 2023, subject to shareholder approval.

The principal objectives of the changes, which are the first substantive amendments since Mr MacGregor's appointment on 1 November 2020, are to:

- align the CEO's variable compensation more strongly with the interests of shareholders and the structures in place for the rest of the executive team; and
- increase his share ownership.

No changes were made to the CEO's fixed annual remuneration.

The new variable compensation structure is listed in Annexure A attached and summarised as:

- An increase in the CEO's short term incentive (STI) potential from a target of 20% payable in cash to 35% payable in cash and shares, with short term incentive plan rules consistent with those applying to other senior executives.
- Subject to shareholder approval at the Annual General Meeting (AGM), an invitation to participate in the LTI plan, introduced in FY23 for other senior executives, with a target of 50% of FAR from FY24. Participation in the LTI plan requires forfeiture of options granted under the CEO's 2020 contract, and approval by shareholders of that forfeiture at the AGM. If approved, this means that the options issued under the CEO's 2020 contract will be cancelled.

Additional changes made to the CEO's employment contract include:

- Termination benefits that align with Corporations Act requirements;
- Introduction of a post-employment non-compete; and
- Clarification of visa requirements.

In transitioning to the new arrangement, the Company will purchase shares for the CEO, equivalent in value to his FY23 STI (\$109,725) using a 20-day Volume Weighted Average Price over the 20 days post the Annual General Meeting. These shares will be subject to a one year holding lock.

The CEO has also volunteered to purchase additional shares in the Company equivalent in value to the after-tax proceeds of his FY23 STI.



Additional information about Mr MacGregor's experience and work history can be found on the Medical Developments announcement of Mr MacGregor's appointment [2020 ASX Announcement](#), and his LinkedIn profile page ([LinkedIn](#))

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Authorised for release by the Board of Directors.

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About Medical Developments International Ltd

MVP is an Australian company delivering emergency medical solutions dedicated to improving patient outcomes. MVP is a leader in emergency pain relief and respiratory products. The Company manufactures Pentrox®, a fast-acting trauma & emergency pain relief product. It is used in Australian Hospitals including Emergency Departments, Australian Ambulance Services, the Australian Defence Forces, Sports Medicine and for analgesia during short surgical procedures such as Dental and Cosmetic surgery as well as in other medical applications.

ANNEXURE A: SUMMARY OF KEY TERMS OF THE EXECUTIVE EMPLOYMENT AGREEMENT BETWEEN MEDICAL DEVELOPMENTS INTERNATIONAL AND BRENT MACGREGOR

1. Commencement date of remuneration changes

1 July 2023 (subject to shareholder approval outlined below)

2. Term (Unchanged)

Permanent role.

3. Remuneration package

Total Remuneration Package (TRP) (Unchanged)

From 1 July 2023, Mr MacGregor will commence on Fixed Annual Remuneration (**FAR**) of \$548,625 (subject to annual merit review) per annum plus superannuation.

Short Term Incentive (STI) (New)

Mr MacGregor will have a target 35% FAR per annum with a maximum opportunity of 45.5%.

Entitlement to an STI is determined by the achievement of financial and individual goals against targets. For the CEO, this is achievement of the group financial target (EBIT) and business objectives. Business objectives include organic business growth, developing and executing a plan for entry into the US market, delivering milestones on other strategic projects, and building a high-performance culture. As such the STI align remuneration with the achievement of short-term strategic objectives and financial performance. To further strengthen alignment with shareholders, the STI is paid in cash and equity (50/50) with the equity component subject to a 1 year holding lock.

Long Term Incentive (LTI) (New)

Mr MacGregor will have a maximum opportunity equivalent to 50% of FAR (subject to shareholder approval). The Company introduced the LTI plan in FY23 for select senior executives which includes provision for the allocation of performance rights which vest as fully paid ordinary shares on the achievement of agreed shareholder returns over a 3-year period. Vesting of rights is subject to achieving volume weighted average share price (VWAP) growth targets over a three-year performance period.

4. Cancellation of CEO options and purchase of shares (NEW)

Mr MacGregor's LTI is conditional on shareholders agreement (at the 2023 Annual General Meeting) to cancel Mr MacGregor's current options. In transitioning to the new arrangement, MVP will make a one-off purchase of ordinary shares for the CEO, equivalent in value to the CEO's FY23 STI (\$109,725) using a 20 day Volume Weighted Average Price over the 20 days post AGM. These shares will be subject to a one year holding lock.

5. Termination (Unchanged)

Mr MacGregor's employment can be terminated in the following circumstances:

- By the Company, without cause, with 6 months' notice.
- By the Company, with cause, with no notice period.
- By the Executive, with 6 months' notice or immediately if there is a fundamental change to the CEO's role that has not been remedied by the Board.