

GALE PACIFIC LIMITED

(ASX: GAP)

14 August 2024

ASX and Media Release

Appointment of new Chief Executive Officer

GALE Pacific Limited (ASX: GAP) advises that John Paul Marcantonio has stepped down from the position of Chief Executive Officer and Managing Director, effective immediately.

The Board of Directors have appointed Troy Mortleman as the new group Chief Executive Officer, effective today. Mr. Mortleman is promoted from his role of General Manager Australia & New Zealand /Vice President Developing Markets. His experience within our global operations, a proven record of accomplishment and a keen focus on innovation and sustainability led the Board to determine that he was the best candidate for the CEO position.

Board Chair, David Allman commented, "We are grateful for the contributions that John Paul has made to GALE Pacific during his tenure, and we remain focused on the continued development of our market representation in the United States. We are confident that Troy's leadership will drive operational efficiencies across the Group and realise strategic growth opportunities utilising our core capabilities that create value for our customers and shareholders."

Incoming CEO, Troy Mortleman stated, "I am honoured to have been appointed by the Board to lead GALE Pacific through the next phase of our near 75-year history. I am confident about the future of our Company and our ability to deliver long term, sustainable growth for our shareholders. I am looking forward to working closely with our global team and our partners to continue our long history of delivering innovative and meaningful products for our customers and consumers".

The Board congratulates Troy on his appointment and looks forward to his continued commitment as he further shapes and guides the business.

A short biography and a summary of the key terms of Mr. Mortleman's CEO Agreement are attached in the Appendix to this announcement. An Appendix 3Z will be filed shortly for Mr. Marcantonio.

FY24 Results

The Company advises that it now expects to release its audited preliminary results to the market on Thursday 29 August 2024, at which time incoming CEO, Troy Mortleman, will host a results briefing. Registration details will be released prior to the call.

Approved by the GALE Pacific Limited Board of Directors.

For further information, please contact:

Sophie Karzis, Company Secretary & General Counsel 0409 540 827

About GALE Pacific Limited (ASX: GAP)

GALE Pacific is a market leading manufacturer of technical fabrics used for consumer and commercial applications around the world. Founded in Melbourne, Australia in 1951, today GALE has operations in Australia, New Zealand, the United States, China and Dubai, and employs more than 600 people worldwide. GALE's products are sold across Australia, New Zealand, Asia, the Americas Europe, the Middle East and a growing number of additional markets.

GALE's products are recognized around the world for their innovative technology, quality, durability and reliability. The Company's consumer products marked under the Coolaroo® brand include outdoor roller shades, shade sails, shade and garden fabrics, shade structures and pet products. They can be found at market leading major retailers, both in store and online, around the world.

The company's commercial products, marketed under the GALE Pacific Commercial® brand include knitted, coated, and advanced polymer fabrics used in a growing number of applications across the agricultural, horticultural, aquacultural, architectural, construction, mining and packaging industries.

GALE's core strategy is to accelerate its growth as a world class global fabrics technology business through product innovation, category expansion, expanded distribution in existing and new markets, and improved operational efficiency and flexibility.

GALE Pacific Limited's shares are listed on the Australian Securities Exchange (code: GAP).

Incoming CEO - Troy Mortleman - Bio

Troy Mortleman has over 20 years of experience in executive leadership, sales, and operations roles. At GALE Pacific, Troy has held the role of General Manager for Australia and New Zealand since early 2020 and assumed responsibility for the Company's businesses in the Middle East, Europe and Asia in early 2022. Troy has been an integral member of the GALE Pacific Executive Leadership Team and has been instrumental in driving business performance and formulating strategic growth initiatives within these regions of responsibility.

Prior to joining GALE Pacific, Troy held various leadership roles at previously NZX listed Methven Ltd (NZX: MVN), including serving as Chief Operating Officer of the Australian entity for over 4 years.

Troy holds a Master of Business Administration from Deakin University and is a Graduate member of the Australian Institute of Company Directors.

-Ends-

Summary of the key terms of the Executive Service Agreement between Gale Pacific Limited ('Gale Pacific' or the 'Company') and Mr Troy Mortleman

Commencement Date

Gale Pacific has employed Mr Troy Mortleman in the position of Chief Executive Officer (**CEO**). Mr Mortleman's employment commenced on 14 August 2024 (**Commencement Date**).

1. Term

Mr Mortleman will be appointed for an ongoing term subject to termination by either party (see section 5 below).

2. Remuneration

Mr Mortleman will receive a total fixed remuneration package of \$475,000 per annum (**TRP**).

a. Short-term incentive

Mr Mortleman will be entitled to an annual Short-Term Incentive (**STI**) equal to up to 50% of his TRP, which will be payable upon achieving defined targets, as determined by the Board in its sole discretion. Performance criteria will include a combination of group, and personal targets, and these will be defined by the Board. STI awards will be paid in cash.

b. Long-term incentive

Mr Mortleman will be entitled to participate in the Company's Long-term Incentive Plan. The current Long-Term Incentive Plan is a Performance Rights Program. Under this Program, Mr Mortleman will be invited to acquire a certain number of performance rights in the Company at no cost. The number of rights that the Board may invite Mr Mortleman to acquire will be determined by calculating 75% of his TRP as of the date of the performance rights offer and then dividing that number by the volume weighted average price of the Company's shares for the five trading days prior to (and not including) the date of the offer, rounded to the nearest thousand. A performance right is a right to acquire one ordinary share of Company. The rights have time and performance-based conditions, and the Plan's terms and conditions will govern all offers or acquisitions of shares. The performance period will be three (3) years (**Performance Period**).

No Performance Rights will vest if Mr Mortleman's employment has been terminated by the Company as a result of misconduct prior to the end of the Performance Period (and the Company may clawback any benefit received as a result of the vesting of Performance Rights if Mr Mortleman's employment has been terminated by the Company as a result of misconduct after Performance Rights have already vested).

3. Clawback policy

Gale Pacific retains discretion to clawback some or all of any short or long term incentive awarded to Mr Mortleman's if the Board of Gale Pacific acting reasonably, determines there has been an act of fraud, dishonesty, breach of obligations or a knowing material misstatement in the Company's financial statements.

4. Termination

Either the Company or Mr Mortleman may terminate the Agreement by providing 6 months' notice.

The Company may terminate the Agreement summarily in the event of serious misconduct by Mr Mortleman justifying summary dismissal.

5. Termination Benefits

There are no termination benefits applicable other than Mr Mortleman will be entitled to receive any unpaid base salary owed as well as all business expense reimbursements and accrued and unused vacation days. In addition, Mr Mortleman will also receive any other unpaid vested amounts or benefits under Company compensation, incentive, and benefit plans (other than in the case of misconduct).

6. Restrictive Covenant

Mr Mortleman will be restrained for up to twelve months after termination of his employment with the Company from being engaged in competition with the Gale Pacific, and for up to 12 months after termination of his employment from soliciting Gale Pacific employees or persuading people who do business with Gale Pacific to cease or reduce their business with the Company.