



GALE PACIFIC LIMITED
(ASX: GAP)

ASX and Media Release

28 October 2014

GROUP MANAGING DIRECTOR APPOINTMENT

Gale Pacific Limited (**Gale Pacific** or the **Company**) is pleased to advise that the Company has now formally executed an executive services agreement with Mr. Nick Pritchard (**Agreement**), in respect of his appointment as Group Managing Director (**Group MD**).

A summary of the key terms of Mr Pritchard's employment under the Agreement is as follows:

(a) Duration of the agreement

Mr Pritchard's term of employment as Group MD commenced on 25 August 2014 and will continue until terminated in accordance with the Agreement.

(b) Remuneration, Entitlements and Expenses

- i. **Fixed remuneration** – Mr Pritchard's fixed remuneration is \$450,000 per annum, including superannuation and fringe benefits (and any tax thereon), but excluding payroll tax and WorkCover.
- ii. **Bonuses** – The Company may, if the Board determines in its absolute discretion and subject to any relevant performance or other conditions restrictions or requirements of the Board or of the listing rules of ASX, pay a short term incentive (**STI**) to the Executive, and/or grant shares or options to or for the benefit of Mr Pritchard as a long term incentive (**LTI**).
- iii. **Expenses** – Mr Pritchard is entitled to claim from the Company reimbursement of reasonable out-of-pocket expenses properly incurred in the performance of his duties and responsibilities (and upon production of satisfactory receipts).

(c) Termination of employment

Termination by the Company – Mr Pritchard's employment may be terminated at any time by the Company giving Mr Pritchard three (3) months' notice of termination (or payment in lieu of such notice). The Company may terminate Mr Pritchard's employment immediately in certain circumstances including serious misconduct and material breach of the employment agreement, in which event Mr Pritchard will not be entitled to any compensation, except for any outstanding payments for accrued leave entitlements.

Termination by Mr Pritchard – Mr Pritchard may terminate his employment at any time by giving the Company three (3) months' notice of termination.

Consequences of termination – Upon termination of his employment, however occurring, Mr Pritchard must return to the Company all property belonging to Gale Pacific, including all documents and confidential information. Additionally, upon termination for whatever reason Mr Pritchard will resign as a director of the Company and each of the Company's subsidiaries if required to do so by the Board.

Restrictive Covenant – After termination, Mr Pritchard must not, for a period of 12 months, within the areas of Australia and New Zealand, and without the written consent of the Company, directly or indirectly do any of the following:

- canvass, solicit or compete for the custom of or exploit or engage in business with any person, firm or corporation who or which at any time during the 12 months preceding the termination of the Agreement, was a customer (other than a customer of a retailer) or client of the Company or who purchased or supplied goods or services from or to the Company unless the business or activity of Mr Pritchard is not in competition with the Company at the date of termination or dealing in the same or similar goods and services as the Company at the date of termination; and
- carry on, be associated with, consult to, or be employed, engaged or interested in or with any person, firm or corporation in competition with the business that is carried on by the Company at the date of termination unless the business or activity of Mr Pritchard is not in competition with the Company at the date of termination or dealing in the same or similar goods and services as the Company at the date of termination.

(d) **Non-competition and non-solicitation**

Mr Pritchard must not during his employment with the Company, except as contemplated in the Agreement, solicit or exploit or engage in business with, or prepare for soliciting or exploiting or engaging in business in the future, with competitors, suppliers, customers or clients of the Company or persons otherwise who have dealt with or who are in the habit of dealing with the Company.

Mr Pritchard must not, without the Company's prior written consent, in any capacity, either during or outside of work time, be engaged or concerned or have any other interest for financial advantage with a business or undertaking that:

- competes or, conflicts with, from the business of the Company, other than holdings or other interests as principal in stocks, shares, units or securities of any company or trust (collectively, **Securities**) which Securities represent less than 5% in number of the Securities on issue in such company or trust and which Securities are quoted on ASX or other recognised stock exchange; or
- may interfere with the performance of the Employee's Duties.

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For further information contact:

Sophie Karzis

Company Secretary

+613 9286 7500

sk@ccounsel.com.au