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FOR RELEASE TO MARKET**Transpacific amends CEO employment contract**

Transpacific Industries Group Ltd (ASX:TPI) Chairman, Martin Hudson, today announced that Transpacific has entered into an amended employment contract with Mr Robert Boucher, Chief Executive Officer. The employment contract, which was previously a rolling 12 month contract, now provides for a term to 30 June 2018 and includes a number of remuneration incentives linked to Transpacific achieving its strategic goals.

Commenting on the changes, Mr Hudson said: “The Board considers that achievement of the four point strategy that Mr Boucher has outlined to shareholders over the past year is vital to the success of the turnaround of Transpacific that he is leading and to the creation of sustainable increased value for our shareholders.

“The strategy to build the foundations for the growth of Transpacific is now underway and involves growing revenue, maximising productivity, targeting tuck-in acquisitions and improving landfill capacity and internalisation - a tangible example of which can be seen in the recent announcement of the purchase of Melbourne Western Landfill from Boral.

“Bob was also given a clear mandate to fix the balance sheet, reshape the senior Management Team and start to address our legacy operational issues, all of which he has done or commenced inside 12 months.

“Since commencing in November 2013, Bob has brought a new energy to Transpacific. With an unwavering commitment to safety and 25 years of world-class waste-management experience, Bob’s ongoing tenure is key to completing the turnaround of Transpacific.

“Signing Bob to a contract with a term to 30 June 2018, with specific financial and strategic targets that align to our strategy, is a reflection of both the Board’s confidence in Bob’s ability to succeed in delivering that strategy and his confidence and commitment to the same outcome. It also reflects a realistic timeframe within which to measure success.” Mr Hudson concluded.

The new employment arrangements incorporates a blend of both short and long term financial and strategic performance conditions. A summary of the key provisions of Mr Boucher’s amended employment agreement are set out in Attachment A.

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Investor and Media Relations:

Frank Sufferini
Group Investor Relations Manager
Telephone: 0416 241 501
Email: frank.sufferini@transpac.com.au

Attachment A - Summary of the Key Provisions of Employment Agreement

This document provides a summary only of the key provisions of the amended employment contract between Mr Robert Boucher (**CEO**) and Transpacific Industries Group Ltd (**TPI**). TPI and the CEO have entered into an Amendment Deed to amend the terms of the CEO's Executive Services Agreement dated 13 November 2013 (the terms of which were first announced on 11 October 2013).

Term

The CEO's employment will continue until 30 June 2018, unless terminated earlier (see termination provisions summarised below).

Remuneration

The remuneration package of the CEO comprises:

- A total fixed remuneration (**TFR**) package of \$1.5 million per annum, effective 1 July 2014;
- Participation on an annual basis in the TPI's Short Term Incentive plan, which provides for an at-target bonus of 75% of TFR for achieving specified annual performance measures set by the Board, increasing to a maximum of 150% of TFR if stretch targets are met. Bonuses are paid 50% in cash and 50% in performance rights, with vesting of the performance rights deferred for 2 years.

Participation in a one off Long Term Incentive plan award, involving the grant of performance rights and cash payments that are subject to a range of financial performance and strategic performance conditions. The grant of performance rights is subject to shareholder approval at the 2015 AGM. Further information on the terms and conditions of the performance rights will be provided in the Notice of 2015 AGM.

The financial performance conditions involve testing against a Relative Total Shareholder Return vesting condition and a Return on Invested Capital vesting condition. These conditions will be measured over a 3 year period to 30 June 2017 for one tranche and over a 4 year period to 30 June 2018 for another tranche.

The total of the benefits available under this component for performance at target was determined on an award value of up to \$1.2 million in performance rights, increasing to a maximum of \$2.4 million for stretch performance.

The strategic performance conditions measure successful achievement of a number of strategic milestones over the performance period relating to landfill, business transformation, earnings, market share and productivity measures. These strategic performance conditions are considered by TPI at this time to be commercial-in-confidence, with the result that publication of their details may be prejudicial to TPI's interests. However, details of whether these strategic performance conditions have been achieved will be disclosed at the end of the relevant performance period.

The total of the benefits available under this component for performance at target constitute up to \$1 million in cash paid on achievement of the strategic milestones, and up to \$0.95 million in deferred rights vesting on the 1st or 2nd anniversary of achievement of the milestones.

- A separate cash bonus pool, payable in annual instalments at the end of each financial year subject to the CEO meeting the annual target performance expectations set for the CEO by the Board over each financial year to 30 June 2018, as follows:
 - FY15 and FY16 - \$750,000 per year;
 - FY17 and FY18 - \$500,000 per year.

Termination

The CEO may resign at any time by giving 12 months' notice. TPI may terminate the CEO's employment at any time for cause, and otherwise upon providing 12 months' notice. If either party terminates by notice after 1 July 2017, the notice period will be reduced to the unexpired balance of the term to 30 June 2018. When notice is required, TPI can make payment in lieu of notice of all or part of any notice period (calculated based on the CEO's TFR only).