



## LEAF RESOURCES LIMITED

Sustainable products from plant biomass

### Australian Securities Exchange Announcement

#### CEO Contract changes and long-term incentive plan for staff

The Board of Leaf Resources has, in light of significant changes in operations of Leaf Resources over the past 12 months, recently reviewed the CEO's contract and long term incentive package offered to all staff.

The last year has been a successful year for Leaf Resources following on from the lodgment of patents for the Glycell™ process in July 2014 and the subsequent launching of the process commercially in November 2014 at the Advanced Bio-Economy leadership conference in San Francisco. Leaf Resources share price has increased substantially from just under \$0.05 at the end of the 2014 financial year to just over \$0.15 currently.

The Glycell™ process delivers a cheap source of clean cellulosic sugars for conversion to renewable chemicals and bio-plastics. Because of the advantages the Glycell™ process has, both in price and the quality of sugars, Leaf Resources is engaged in commercial discussions with over 15 companies including large chemical companies, large consumer goods companies, large alternative fuels companies, pulp and paper companies and companies that require sugars as a feedstock for their proprietary processes.

Leaf Resources has a team that is extremely well suited to the task at hand, ably led by the CEO Mr. Ken Richards. The Board of Leaf Resources has sought to make sure that the CEO and staff are properly incentivised and continue to deliver value to shareholders.

#### CEO Update

Mr. Richards has now moved to a full time contract with the company with the main changes being:

1. Base salary \$320,000 pa.
2. Performance bonus will stay as is and will now be split 50% (\$100,000) for short term incentive (STI) and 50% (\$100,000) will be redirected to a long term incentive (LTI). The bonus was previously 100% short term.
3. Criteria for bonuses
  - a. The major criteria, 50% of STI and 100% of LTI relates to an increase in Leaf Resources' share price from July 2015 VWAP of \$0.18 to July 2016 VWAP of two times the July 2015 VWAP i.e. \$0.36.
  - b. The other 50% of Short Term Incentive relates to securing two significant sales for the Glycell™ process (80%) and raising equity funding for the company (20%).



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4. Mr. Richards' shares under the Long Term Incentive will be part of the Staff plan (detailed below) and will, as he is a Director of the company, require shareholder approval.

### Staff Long Term Incentive

The Board will be putting to shareholders for approval at this year's AGM, a Long Term incentive Plan for the staff of Leaf Resources.

It is the Board's intention that 100% of the performance rights under the Long Term Incentive plan be available in shares to nominated staff in accordance with the plan and the following performance criteria:

- An increase in Leaf Resources' share price from July 2015 VWAP of \$0.18 to July 2016 VWAP of two times the July 2015 VWAP i.e. \$0.36.

Any shares issued under the plan will vest over 3 years.

### About Leaf Resources Ltd (ASX: LER)

Leaf Resources is commercialising the Glycell™ process.

The Glycell™ Process is an innovative technology that uses a low cost, recyclable, biodegradable reagent glycerol, in a simple process that breaks down plant biomass into lignin, cellulose and hemicellulose at low temperature and pressure. The cellulose is then converted to cellulosic sugars through enzymatic hydrolysis and the lignin, hemicellulose and glycerol become valuable co-products.

Cellulosic sugars are a major feedstock for green, renewable biobased chemicals, bioplastics and biofuels, products whose markets are multi \$billions and fast growing. Many biobased products can now economically replace petroleum based products.

The Glycell™ process produces cellulosic sugars up to 90% cheaper than its major rival, dilute acid and at competitive prices with raw cane sugar and sugars from grain starch. It also produces "clean" sugars i.e. sugars with negligible degradation products and therefore suitable as a raw feedstock for many biobased chemical and bioplastic production processes.

#### **Contacts:**

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