

MARKET RELEASE

27 May 2016

Managing Director – Employment Terms

In accordance with ASX Listing Rule 3.16.4, the Board of CuDeco Limited (“CuDeco” or “Company”) (ASX: CDU) provides the following summary of the material terms of the employment agreement with Dr Dianmin Chen, the new Managing Director of the Company:

- Total annual base salary of \$650,000 (inclusive of statutory superannuation contributions).
- As a short term incentive, for each year of employment, the Managing Director’s performance will be reviewed and considered by the Board, for payment of a cash bonus (up to a maximum of 50% of the annual base salary) at the Board’s discretion.
- As a long term incentive, the Managing Director will be offered 3,000,000 share options in the Company with a 5 year term and an exercise price of 80 cents each. The options will vest in three tranches:
 - Tranche 1: 1,000,000 of the share options will vest on the first anniversary of the commencement date;
 - Tranche 2: 1,000,000 of the share options will vest on the second anniversary of the commencement date; and
 - Tranche 3: 1,000,000 of the share options will vest on the third anniversary of the commencement date.
- The Company may dismiss the Managing Director without notice or pay in lieu where the Company is reasonably satisfied that the Managing Director has engaged in conduct amounting to serious misconduct or for any other conduct that warrants summary dismissal, or in the event that he has become, by illness or injury, incapable of working for a period in excess of three months.
- Other than as noted above, employment may be terminated by either party giving 3 months’ notice.
- In addition to all other entitlements, the Managing Director will be paid a termination payment equal to 75% of the then annual base salary (inclusive of statutory superannuation contributions).
- Termination of the employment will require the Managing Director’s resignation as a director of the Company.

On behalf of the Board.
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