

ASX RELEASE

15 July 2016

Company Announcements Platform
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

SurfStitch Group Market Announcement

Chairman Succession

SurfStitch Group Limited (“SurfStitch” or the “Company”) (ASX: SRF) today announced that Mr Howard McDonald will retire as Chairman and Non-Executive Director of SurfStitch effective from 1 August 2016.

The Company also announced today that Mr Sam Weiss, who joined the SurfStitch Board as a Non-Executive Director on 1 July 2016, will succeed Mr McDonald as Chairman of the SurfStitch Board and as Chair of the Company’s Remuneration and Nomination Committee, effective from 1 August 2016. He will also be a Member of the Audit, Risk and Compliance Committee.

Mr McDonald said Mr Weiss brought significant capability to the Company as it goes through the process of restructuring and rebuilding.

“The last four months since the surprise departure of the former CEO have been highly challenging for management. However, the appointment of CEO Mike Sonand in May is already having a very positive impact on the business and our leadership team, which can now focus on rebuilding what is fundamentally a great business,” Mr McDonald said.

“Sam Weiss has an extensive track record in technology, online retailing and digital marketing across global markets, as well as in corporate restructurings. The Board and management team are firmly aligned in their focus on restoring shareholder value.”

Mr Weiss paid tribute to Mr McDonald’s leadership of the Company, particularly over the last few months.

“I made the decision to join SurfStitch after extensive discussions with my fellow Board members, all of whom have been deeply engaged in the Company and have worked with the executive leadership team to begin the process of rebuilding.”

“I am in no doubt that the Company has benefitted from Howard McDonald’s stewardship during this difficult period, including filling the leadership void left by the former CEO and communicating to the SurfStitch team globally. The Board wishes to thank and acknowledge Howard’s significant contribution to SurfStitch over the last two years,” he said.

Details of Mr Weiss’s professional background and experience are set out in the Company’s announcement dated 9 June 2016.

Managing Director

SurfStitch Group Limited also announced the appointment of Mike Sonand to the Board as Managing Director effective 15 July 2016.

Details of Mike Sonand’s professional background and experience are set out in the Company’s announcement dated 9 June 2016.

Strategic Review

Mike Sonand said his first priority as CEO is to stabilise the business, then to focus on the key revenue drivers that will take SurfStitch on a path of profitable growth in FY17.

“Since my appointment on 9th June the Executive Team has prepared a stabilisation plan and we are in the process of implementing that plan, which includes the restructure of our North American operation, SWELL,” Mr Sonand said.

The Company’s second priority is to undertake a full strategic review of SurfStitch’s assets, business units and other investments. Once completed, this will provide a roadmap for management to fulfil the strategic vision of the Company to become the leading global online platform for surf and related businesses.”

Further details will be provided at the FY2016 results announcement at the end of August.

-ENDS-

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