

ASX announcement

Remuneration for incoming Group Chief Executive Officer

Sydney, 4 May 2016: Cover-More Group Limited (ASX:CVO) released key terms of the executive employment arrangement for incoming Group CEO, Mike Emmett. The remuneration package is designed to ensure alignment of reward with the creation of value for shareholders and the achievement of corporate objectives as determined by the Board.

Commencement date: 4 July 2016

Term: No fixed term. Ongoing until terminated by either party (refer below).

FY2017 Remuneration Package

Total Fixed Remuneration

Mike Emmett will receive an annual total fixed remuneration of \$960,000. Fixed remuneration includes cash salary and compulsory superannuation contributions.

Short-Term Incentive

Mike Emmett will be eligible for a short-term incentive (STI) with a maximum opportunity of 100% of his total fixed remuneration, subject to key performance indicators determined by the Board. Subject to shareholder approval (if required), 60% of the STI will be paid in cash and the remaining 40% of the STI will be delivered in equity which vests after two years, provided Mike Emmett remains employed with Cover-More.

Long-Term Incentive

Subject to shareholder approval, Mike Emmett will be awarded a long-term equity incentive under the Cover-More Long-Term Incentive Plan with a value equivalent to 77% of his total fixed remuneration. The awards will be subject to applicable performance conditions over a three year performance period, as determined by the Board. Full details of the award and performance conditions will be provided in the relevant notice of general meeting for the 2016 AGM.

Termination provisions

Either party may terminate Mike Emmett's employment by providing six months' written notice. Cover-More may elect to pay up to six months' total fixed remuneration in lieu of any un-served notice period.

Restraints

Mike Emmett will be subject to a post-employment restraint for 12 months preventing him from being employed by or involved with a competitor and from soliciting customers, suppliers, partners, agents or employees.

Other material terms

Termination as a result of fundamental change, including a material diminution in the role or delisting of Cover-More from the ASX, is provided for in the contract.

Mike Emmett will receive a sign-on arrangement of \$810,000 in lieu of forfeited incentive amounts from his previous employment. The arrangement will be delivered in three tranches. Tranche one will be paid in cash and tranches two and three (approximately 60% of the award) will be delivered in equity over two years.

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