

ASX / MEDIA STATEMENT

Tuesday, 22 January 2019

Super Retail Group appoints Anthony Heraghty as Group Managing Director and Chief Executive Officer

Anthony Heraghty will succeed Peter Birtles as Group Managing Director and Chief Executive Officer of Super Retail Group from 31 March 2019.

Mr Heraghty is currently Managing Director of Super Retail Group's Outdoor Retailing business.

The Super Retail Group board determined Mr Heraghty was the standout candidate from an executive search that commenced after Mr Birtles' retirement was announced in October 2018 as part of a planned succession process.

The appointment ensures a smooth leadership transition for Super Retail Group, positioning the business to continue its growth and value creation.

Mr Heraghty is a customer-focused retail executive with a strong digital background underpinned by a blend of strategic and operational leadership experience from the retail and marketing sectors. As Managing Director Outdoor Retailing, he is responsible for the BCF Boating, Camping and Fishing, Rays and Macpac businesses. Previously, he held executive roles at Fosters Group and Pacific Brands, where he led the overhaul of the Bonds business from a wholesale operation to an omni-retailer.

Super Retail Group Chair Sally Pitkin said "A comprehensive national and international search conducted by global executive recruitment firm Heidrick & Struggles identified a number of quality candidates. Following a rigorous interview process, the Board concluded that Anthony had the best combination of attributes and values to lead the next era of growth for the Super Retail Group.

"In selecting our new CEO, the Board's priorities were to find a candidate to entrench a customer-first mentality and shape strategy to lead our evolution to a world-class omni-retailer. We wanted an experienced retail executive to lead our passionate team and develop talent, continue the process of refining Super Retail Group's capability to meet the challenges of an increasingly competitive and technology-driven retail environment and build momentum across the business as we strive to continue long-term value creation for shareholders.

"Anthony is a trusted and respected leader with a track record of delivering improved business performance, coupled with an absolute commitment to and understanding of customer needs. Fresh thinking, embracing innovation, and harnessing data and technology are trademarks of his leadership.



"The Board also acknowledges the immense contribution Peter Birtles has made over the past 18 years, including 13 years as Group Managing Director and Chief Executive Officer, in the successful pursuit of Super Retail Group's omni-retailer strategy. Under his leadership, Super Retail Group has transformed its business. Group EBIT has enjoyed a near seven-fold increase with the growth of the SuperCheap Auto business, creation of the BCF business and successful acquisition and embedding of the rebel and Macpac brands. Super Retail Group has established itself as a respected player in a rapidly changing and competitive marketplace and enters its next phase in very good shape."

Mr Birtles, who will continue to work closely with Mr Heraghty in coming months to ensure a smooth transition, will present the first half results on 14 February 2019.

Mr Birtles said "I can assure you that Super Retail Group is in good hands. I've worked closely with Anthony for four years, he's a strong and experienced leader who has helped modernise the business. Not only does he have a terrific grasp of the business but he knows what drives our customers and understands what we can offer them. I am very pleased to be handing over the leadership of this great business to Anthony.

"It has been a privilege to lead this organisation and I take great pride in the strong financial performance of the business during my tenure. I am particularly proud of the improvement in team member retention and engagement, which I firmly believe has been the bedrock of the company's growth and I would like to thank all of our team for their support, passion and commitment. I remain very optimistic about the future for Super Retail Group and will be working hard to ensure a seamless handover."

Mr Heraghty said "I'm excited about the opportunity to navigate a great Australian company through the radical changes rapidly reshaping the retail sector globally. With changing customer expectations, we are being challenged to innovate and modernise our business to ensure we are fit to compete in the even more competitive retail environment of tomorrow. In an era where customers have greater demands and choice than ever before in what, where, when and how they want to buy, our customer-centric approach and engaged team can help differentiate Super Retail Group and drive the next phase of growth around our four core brands. With team members at the heart of Super Retail Group's business, one of my priorities will be to build on our strong culture of teamwork and team member pride. With engaged team members who share the passion of our customers for our products, we are well positioned to grow our business and deliver for shareholders for many years to come."

A summary of the material terms of Anthony Heraghty's employment agreement is included as an annexure to this ASX release.

Anthony Heraghty biography

A highly experienced retail executive with a strong digital and marketing pedigree and a track record of growing businesses, Anthony joined Super Retail Group as a member of the Group Leadership Team in April 2015.

In his role as Managing Director – Outdoor Retailing, Anthony is responsible for the BCF Boating, Camping and Fishing, Rays and Macpac businesses. As part of the overhaul of Rays and BCF, he unveiled an innovative format and streamlined the store network. Anthony initiated and directed the April 2018 acquisition of Macpac, integrating the brand with the Rays business and spearheaded the plan to grow Macpac into the leading outdoor adventure retail specialist across Australia and New Zealand.

Before Super Retail Group, Anthony held a number of senior management roles at Pacific Brands Limited, most recently as Group General Manager of Underwear, responsible for the flagship Bonds underwear business. In this role, he led the transition of the business model from a

wholesale operation to a direct-to-consumer business and expanded the network of retail stores from one to 75. Anthony was previously Global Marketing Director for Foster's Group Limited, at the time one of the largest executive marketing roles in Australia. This role followed more than a decade at advertising agencies George Patterson and McCann-Erickson, where he served as Managing Director.

Anthony holds a Bachelor of Business from the Queensland University of Technology.

Ends

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Summary of material terms of employment agreement

Appointment

Mr Heraghty is appointed to the role of Group Managing Director and Chief Executive Officer.

Term

The appointment is on an ongoing basis, subject to the termination provisions as set out below.

Remuneration

Mr Heraghty's remuneration has been set by the Board in accordance with the Super Retail Group's Remuneration Policy. The components of Mr Heraghty's remuneration are as follows:

(a) Fixed remuneration

Mr Heraghty will receive an initial fixed remuneration (inclusive of salary, superannuation and salary sacrificed items) of \$1,050,000 which will be reviewed annually. In addition, Mr Heraghty will receive an allowance for car and home office usage.

(b) Short Term Incentives

At the discretion of the Board, Mr Heraghty will be eligible to participate in the Super Retail Group's Short Term Incentive (STI) plan. His initial STI at target will be \$500,000 [Maximum \$750,000], and will be assessed by the Board having regard to his STI objectives. STI is payable in cash following the 12-month assessment period.

The STI target will be reviewed annually by the Board.

(c) Long Term Incentives

At the discretion of the Board, and subject to any necessary shareholder approvals, Mr Heraghty will be eligible to participate in the Super Retail Group's Long Term Incentive (LTI) Plan. The key elements of the plan are outlined in the Group's Annual Report. His initial LTI grant will be \$850,000 measured over a three-year period, and will vest over a five-year period (50% of the award at year 3, 25% of the award at year 4, and 25% of the award at year 5). Vesting of the award will be assessed by the Board against performance conditions set by the Board.

The amount, testing period and vesting period of subsequent grants will be determined by the Board in its discretion.

(d) Initial Co-investment Performance Rights

Mr Heraghty will be entitled to a one-off co-investment grant of Performance Rights to the value of \$400,000, on the condition that Mr Heraghty acquires an additional \$200,000 worth of Super Retail Group ordinary shares. The grant will be subject to vesting periods, operating as holding locks, in line with Super Retail Group's LTI plan rules; namely, 50% for three years, 25% for four years and 25% for five years. A compensatory mechanism for dividends foregone on the Rights prior to vesting will be provided.

Termination

The company may terminate Mr Heraghty's employment on 12 months' notice or immediately for certain prescribed events.

Restraints

Mr Heraghty has a 12-month non-compete period.