

7 January 2015

Amendments to Chief Executive Officer Remuneration and Incentive Arrangements

Grays e-Commerce Group Limited (**GEG**) announced today that it has agreed to amend the employment terms for the Chief Executive Officer, Mark Bayliss, to reflect updated remuneration and incentive arrangements.

As described in the Prospectus dated 30 September 2014, the Board of GEG intended to review the terms of Mark Bayliss' employment as part of the proposed review of employee and director remuneration and incentive arrangements in order to assess whether they remain appropriate in the listed environment.

As part of that review, the Board has determined that the remuneration and incentive arrangements for the Chief Executive Officer should be amended to better align with the Company's strategic goals and market expectations. The amended arrangements were determined following comprehensive independent expert advice from John Egan, of Egan Associates. Mark Bayliss has agreed and the terms of his employment agreement have been amended accordingly.

The restructured remuneration and incentive arrangements have resulted in an increase to the aggregate total remuneration which Mark Bayliss is eligible to receive. Under the revised terms, the value of Mark Bayliss' fixed remuneration will increase and he will also be eligible to receive a short term incentive (STI) component and a long term incentive (LTI) component.

The changes are set out in more detail below.

Component of remuneration	Previous remuneration	Amended remuneration
Total fixed remuneration (inclusive of superannuation)	\$390,000	\$700,000
Short Term Incentive (STI) cash bonus	Nil	\$260,000 maximum
Long Term Incentive (LTI) performance rights	Nil	1,117,318 Performance Rights

Short Term Incentive (STI)

Mark Bayliss will be eligible to receive STI benefits each year, in the form of a potential cash bonus. The actual cash bonus earned by Mark Bayliss (if any) will be determined at the discretion of the Board after assessing the performance of GEG and the performance of Mark Bayliss against agreed performance hurdles. The minimum possible cash bonus outcome is zero and the maximum possible cash bonus outcome is \$260,000 per annum.

Long Term Incentive (LTI)

Subject to GEG shareholder approval which will be sought in the first quarter of 2015, Mark Bayliss will be issued a total of 1,117,318 Performance Rights in accordance with the terms of GEG's existing Performance Rights Plan. The Performance Rights will vest (subject to performance hurdles being met) over the period FY17 to FY19.

The remaining terms of Mark Bayliss' employment contract remain as per those disclosed in the Company's Prospectus dated 30 September 2014.

Further information:

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