



For immediate release to the market
Eureka Group Holdings Limited
ASX Code EGH
8 February 2017

Market Update

Eureka Announces Appointment of New CEO and Resignation of Executive Directors

Eureka Group Holdings Limited (Eureka) is pleased to announce the appointment of Mr Jeff Weigh as Chief Executive Officer of the Group with effect from 7 February 2017.

Mr Weigh holds a Master of Economic Studies from the University of Queensland and completed the Executive Hotel Management course from Cornell University, USA. He is a highly experienced executive whose immediate previous role was CEO of South Bank Corporation for 4 years until September 2016. In this capacity he was responsible for all operational and strategic decision making across the total \$700 million asset base of South Bank Corporation including South Bank parklands as well as the Brisbane Convention and Exhibition Centre, 70 retail tenants and an 850 bay underground car park. During this time, Mr Weigh was also responsible for several major restructuring and operational initiatives that delivered significant long term efficiency gains to the Corporation.

Mr Weigh was also Queensland Operations Manager of I-Med, a member company of DCA Group Ltd that became an ASX top 200 public company specialised in medical imaging and aged care. He also co-founded Fortland Hotels & Resorts in 1990 and was Managing Director. Fortland was a regional hotel management company that was started, capitalised and built up over 10 years and was ultimately sold to Accor Asia Pacific Ltd in 2000. Fortland Hotels specialised in 3-4 star residential hotels and eco lodges throughout Queensland and the Northern Territory, operating properties in Longreach, Rockhampton, Alice Springs, Cairns, Mackay, Carnarvon, Toowoomba and Mt Isa.

Mr Weigh is also a Non-Executive Director of The Port of Brisbane Pty Ltd.

Following Mr Weigh's appointment as CEO, Eureka's Executive Chairman Mr Robin Levison will resume his duties as Non-Executive Chairman.

Mr Levison said that based on Eureka's continued rapid expansion and sustained increases in profitability, the board considered it appropriate to appoint a highly experienced CEO who would ensure the group was strongly positioned to fully capitalise on the numerous untapped growth opportunities which remained available in the low cost sector of the national aged care and retirement market.

"Mr Weigh has the track record, vision and enthusiasm to help lift Eureka onto its next growth trajectory and I look forward to working with him on delivering enhanced returns and value to our ever growing shareholder base," Mr Levison said.

Given the announced strengthening of Eureka's senior executive resources, Mr Greg Rekers and Mr Kerry Potter, Executive Directors, consider it an appropriate time to resign from Eureka, effective immediately, to pursue other projects. The Services Agreement between Eureka and their Company Navigator Property Group Pty Ltd has mutually been terminated.

Mr Rekers and Mr Potter were appointed to the board of directors of Eureka on 18 April 2012. Since that time, they have played an instrumental role in Eureka's growth and success and leave at a time when the group has posted record profitability in the 2016 financial year, generated substantial shareholder wealth and delivered discernable social value through what is now Australia's largest ASX listed provider of affordable seniors rental accommodation.

Mr Rekers and Mr Potter remain Directors of Navigator Property Group Pty Ltd, a consultancy specialising in the areas of property development and project marketing, and intend to pursue a range of private property development projects following their resignation from Eureka.

The Board of Eureka wishes to thank Mr Rekers and Mr Potter for the valuable roles they played in the growth of Eureka and wish them well for their future endeavours under the Navigator banner.

Attached is a schedule of Mr Weigh's key employment terms and conditions.

For further information, contact Robin Levison (Executive Chairman) on 07 5568 0205.

Schedule 1 CEO Remuneration Package

FAR (Fixed Annual Remuneration)

- Base salary: \$350, 000
- Superannuation: 9.5% of base salary
- Carpark and other tools of trade including laptop, tablet, Mobile Phone, etc
- FAR is not directly linked to Group performance as it covers the individual's role, responsibilities and performance and a remuneration level for similar positions in the market.

STI (Short-Term Incentive) up to 50% of FAR

Initial 5 month STI to June 30, 2017 to be determined solely by the Eureka Board. Thereafter STI will be tested against:

- > 90% occupancy average, with account taken of village occupancy when new assets are acquired in each financial year.
- Financial aspect to be determined for FY 2018 and advised to market in 2017 Annual Report - Remuneration Section when compared to ASX Small ordinaries performance. The S&P/ASX Small Ordinaries index is used as an institutional benchmark for small cap Australian equity portfolios. The index covers approximately 7% of Australian equity market capitalization.
- Execution of agreed Eureka growth strategy each year
- Continuation of a safe and harmonious living environment at Eureka villages.

LTI (Long Term Incentive Plan)

- LTI to be agreed by Board and CEO and approved by Shareholders at the next shareholder meeting scheduled for November 2017.
- Comparison to TSR performance for S&P ASX Small ordinaries performance and other measures to be considered.
- Independent professional advice on incentive plan being evaluated.