



ASX Release

19 September 2019

**Atlas Pearls: Restructure Update**

Atlas Pearls Ltd (ASX:ATP) ("Atlas" or "the Company") has today accepted the resignation of the Company's current Chief Executive Officer and Managing Director, Mr. Pierre Fallourd.

Mr. Fallourd has been with the Company since 2013 when he joined as the Vice President Pearling before being promoted to position of Chief Executive Officer in November 2014 and subsequently appointed to the Board in January 2016. Mr. Fallourd has been instrumental in rolling out Atlas' 'cradle to cradle' strategy of extracting and maximising all aspects of the pearl.

The Company will not be replacing Mr. Fallourd but instead taking the opportunity to restructure.

Mr. Geoffrey Newman has agreed to increase his responsibilities and step into the role as Executive Chairman having been part of the Atlas Board since October 2010 and Chairman since 2015. Mr. Newman brings broad skill set including experience in strategic leadership, transaction negotiations and agriculture and aquaculture industry knowledge.

"I am excited to expand my role with Atlas and to have the opportunity to further align shareholders' and stakeholders' interests. In recent years the Company has experienced a range of challenges including at environmental, process and organisational levels. I am looking forward to implementing a different strategic direction to increase the flexibility of Atlas to react to market demands and opportunities and ultimately to increase shareholder value." said Mr. Newman.

Mr. Newman, with the support of the full Board, is focused on the following areas;

- Increasing resources available to the operations in Indonesia by reducing the retail footprint and carrying a less extensive but focused jewellery line which complements the Company's presence as a significant producer with distribution focused on auction and wholesale revenue.
- The Company will maintain a presence online offering and continue to operate its Indonesian farm stores which are low cost profitable businesses.
- Atlas is continually implementing actions to improve the efficiency of its operations at the Indonesian farms. The latest harvest included 3,000 oysters left in the water for an additional 3 months growing time. Although this was a small-scale trial, the results were sufficiently encouraging to suggest that a meaningful increase in revenue can be achieved by progressively extending time in the water.
- The Company is examining its business mix with a view to making more capital available in Indonesia to improve the operating performance of the farms.

For more information please visit: [www.atlaspearls.com.au](http://www.atlaspearls.com.au) or contact

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In accordance with ASX Listing Rule 3.16.4, Atlas advises the terms of Mr. Newman's remuneration following his appointment to Executive Chair.

Mr. Newman has agreed to a 12-month part-time, 0.6 Full Time Equivalent contract. Due to the restructure and intended scale back of the retail division, the role of the Chief Executive Officer is expected to lessen to a part-time Executive role. This part-time role is an interim solution while the Company reviews the current organisational structure but may be renewed at the end of the 12-month contract.

Mr. Newman's remuneration for three days per week is \$198,000 per annum (\$78,000 p.a. is the remuneration for his role as Chairman and \$120,000 p.a. for his Executive position), inclusive of statutory superannuation. There are no short- or long-term incentives.

Mr. Newman's Executive employment may be terminated by Mr. Newman on 3 months' notice or immediately by the Board. Mr. Newman's position as Chair of the Company remains unchanged.

After the completion of the 12-month contract, Mr. Newman has the right to continue as Independent Non- Executive Chair of the Company.

END

#### **ABOUT ATLAS PEARLS LTD**

Atlas Pearls (ASX: ATP) is an Australian listed pearling business with core operations in Indonesia established in 1992. Atlas has earned an enviable reputation as a world leading pearl producer of "the queen of all gems", the South Sea pearl, specialising in high quality white and silver pearls. Atlas operates pearl farms spread across the Indonesian archipelago, including Bali, Flores, and West Papua. Atlas is a fully integrated business including hatchery, seeding, harvesting, grading, trading, design and manufacturing capabilities to sell directly to customers through wholesale partners and via its retail outlets.

The company is also involved in the production and transformation of essential oils as well as other plant grown active ingredients extraction and value adding via its Tasmanian based 50% owned subsidiary Essential Oils of Tasmania (EOT)

Atlas Pearls has been involved since its inception in managing active community relationships in Indonesia in the areas of environment protection, education and alternative livelihood programs.

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