



ASX/Media Release

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Leadership Transition

Paul Maguire to retire from McPherson's in November

Laurie McAllister appointed successor

Smooth transition planned

McPherson's Limited, the consumer products company, wishes to advise that, after more than six years as Managing Director, Mr Paul Maguire has decided to retire from the company with effect from the conclusion of the Annual General Meeting on 21 November 2016.

Mr Laurie McAllister has been selected to succeed Mr Maguire. He will commence with the company on 1 November, and after a transition period will be appointed Managing Director on 21 November 2016.

Mr Graham Cubbin, Chairman of McPherson's Limited, said: 'Paul will leave McPherson's in a stronger position than when he started, having transformed the business materially. In this time he has strengthened the business portfolio including a greater focus on high value categories such as Health and Beauty brands – a core area of future growth for the company.'

'Following the de-merger of McPherson's Printing business, Paul successfully managed the acquisition of several businesses, including Home Appliances and the Dr. LeWinn's and A'kin skincare businesses, and established key agency partnerships with significant beauty brands such as Trilogy Skincare and Procter & Gamble (Gucci, Dolce&Gabbana and Hugo Boss prestige fragrances). He also successfully divested the Crown Glassware business three years ago and, more recently, has divested McPherson's Housewares business to the Fackelmann group.'

'I would like to acknowledge the great job that Paul has done during his tenure at McPherson's.'

'I am very pleased to announce the appointment of Mr Laurie McAllister as Paul's successor, after an extensive executive search. Laurie joins McPherson's following a career as a successful General Manager / Managing Director with extensive FMCG exposure. He has had 22 years of experience with Coca-Cola in very senior roles operating across 80+ countries, based out of five countries across Europe and Asia-Pacific. Most recently, he has been Managing Director of Sanofi Australia & New Zealand, as well as serving on the Board of Medicines Australia for two years.'

'We welcome Laurie and are delighted to have been able to attract such a high calibre leader to take McPherson's through its next, exciting growth phase,' said Mr Cubbin.

Further biographical details of Mr McAllister are in Appendix 1 attached.

A summary of the key terms of Mr McAllister's employment agreement are set out in Appendix 2 attached.

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APPENDIX 1

Mr Laurie McAllister - Biography

Laurie McAllister has held a range of senior executive positions in consumer goods marketing and general management in Australia, Europe and Asia. His experience encompasses sales, marketing, mergers & acquisitions, supply chain, logistics, R&D, innovation and new product development.

Previous experience highlights;

- His career has included 22 years with Coca-Cola, starting with Coca-Cola Amatil in Australia from 1991-1997, before joining Coca-Cola South Pacific from 1997-2001 (including country management roles based out of Sydney), and then rejoining Coca-Cola Amatil in 2012 on returning to Australia post a 12-year tenure overseas.

Senior roles prior to returning to Australia;

- Chief Marketing and Commercial officer of Coca-Cola Company Japan, The Coca-Cola Company's largest international business with 60+ brands covering 1,300 SKUs. The business delivered profit before tax in excess of \$2.0 billion, supported by marketing expenditure of \$0.6 billion.
- President - Coca-Cola Nordic Business Unit, accountable for general management and strategic development of the business throughout five Nordic countries, delivering profit before tax in excess of \$450m across a complex bottling structure;
- Director - Marketing, New Beverages, Innovation, New Business Development and R&D for The Coca-Cola Company across 72 countries in Europe, Eurasia and the Middle East. (The R&D function alone consisted of a 300 strong team of scientists and developers for new products, packaging and equipment innovation in a laboratory in Brussels);
- Through this period, Mr McAllister represented The Coca-Cola Company in many Board roles across European entities;

Most recently;

- In January 2013, Mr McAllister was appointed managing director of Sanofi's business in Australia and New Zealand, with over 1,000 employees and sales of \$1.1 billion. The business' five divisions focused on pharmaceuticals, consumer healthcare, vaccines, rare diseases and animal health. In this role, working within a new industry, he led a fundamental business turnaround, exceeding all people management, financial and strategic targets.
- Following Sanofi's global restructure, all Managing Director roles were displaced. Mr McAllister chose not to move his family to Paris and left the company in April 2016 in order to pursue his career in Australia, where he grew up and was educated.

APPENDIX 2

Summary of the key terms and conditions of employment for Mr. Laurie McAllister

1. Position and Commencement

McPherson's Limited ("MCP") will employ Mr. McAllister in the position of Managing Director. Mr McAllister's employment with the company will commence on 1 November 2016, and he will assume the role of Managing Director on 21 November 2016.

2. Performance Rights Grant on Commencement

On his commencement with MCP and subject to shareholder approval, Mr McAllister will be granted performance rights with a value of \$300,000. The performance rights will be convertible to ordinary MCP shares three years from his commencement date providing Mr McAllister is employed as Managing Director at that time.

3. Term

There is no fixed term. The agreement is ongoing unless it is terminated by either party in accordance with the provisions of the agreement (see section 5 below).

4. Remuneration

Mr McAllister's remuneration will comprise a fixed component, a short term incentive component and a long term incentive component.

Fixed Remuneration

Mr McAllister is entitled to fixed remuneration of \$700,000 per annum inclusive of superannuation, plus a motor vehicle allowance of \$50,000 per annum. The fixed remuneration is subject to annual review.

Short Term Incentive

Mr McAllister is entitled to short term incentive awards. Payment of any short term incentive award will be subject to the performance of the company and / or the achievement of certain criteria as determined by the Board. Mr McAllister's maximum potential annual short term incentive award will be 50% of his fixed remuneration.

Long Term Incentive

The Board is seeking a significant uplift in the financial performance of the company. Mr McAllister's entitlement to long term incentive awards has been structured to reflect this. Mr McAllister's entitlement to any long term incentive will be subject to the performance of the company and / or fulfillment of certain conditions as determined by the Board. The performance rights will be subject to the terms of the McPherson's Limited Performance Rights Plan and the vesting of the performance rights will be subject to the satisfaction of specific conditions.

Subject to any necessary approvals (including shareholder approval) Mr McAllister will be granted performance rights annually as follows:

- A primary long term incentive award of up to 50% of his fixed remuneration, determined by reference to compound earnings per share growth outcomes over a three year period; and
- A further long term incentive award which will vest only on the achievement of exceptional performance outcomes as determined by the Board and measured by absolute total shareholder returns, so that the total combined potential long term incentive award will not exceed a face value \$1 million.

Should shareholder approval for the grant of the performance rights as outlined above not be obtained, Mr McAllister will be provided with an equivalent cash based long term incentive arrangement.

5. Termination

Either party may terminate the agreement by giving 6 months' notice. MCP may elect to pay Mr McAllister in lieu of him working out the notice period. Mr McAllister's employment may be terminated immediately at any time in certain circumstances such as serious misconduct.

6. Post-employment Restraint

For up to 6 months after termination of the agreement, Mr McAllister will be restrained from being employed by or providing service to a business in competition with MCP in Australia or New Zealand, and from enticing away MCP's employees and customers.