



Business Technology Made Easy

CSG Limited

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25 June 2018

ASX Announcement

Appointment of Executive Director and Chairman

CSG Limited (ASX: CSV) (the Company) announces the appointment of Mark Bayliss as an Executive Director and Chairman of the Board. The appointment is effective from 27 June 2018.

As a result of Mark's appointment, Bernie Campbell will step down as interim Chairman of the Board and will remain as a Non-Executive Director.

Bernie welcomed Mark on behalf of the Board and said, "We are delighted to have someone of Mark's experience and capabilities join our Board. Mark brings extensive leadership, as well as strategic, operational and financial management experience gained through positions including Chairman, CEO, COO and CFO. We believe that Mark's appointment as an Executive Director and Chairman will complement and build upon the capabilities that exist in our Executive Team and Board."

Mark Bayliss

Mark was most recently the Chief Executive Officer of Grays eCommerce Group Limited (Grays). In this role Mark transformed Grays, significantly increasing revenue and EBITDA. In August 2017 Grays was acquired by Eclipx Group Limited.

Prior to that Mark was the Chief Executive Officer of Quick Service Restaurant Holdings (QSRH), a national fast food chain of 630 franchised restaurants where he developed a business-wide growth strategy. Before working for QSRH Mark spent four years as a Partner at Anchorage Capital, a Sydney based private equity fund specializing in the turnaround of underperforming businesses. Mark has also performed roles as Chief Financial Officer of Australian Discount Retail and Chief Financial Officer of Fairfax Media Limited.

Mark has a Bachelor of Science (BSc [Econ]) from the London School of Economics and is a member of the Institute of Chartered Accountants in England & Wales – ACA.

The key terms of Mark's appointment are set out on the next page.

END

Further Information:

Gary Brown
Chief Financial Officer

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Key Terms of Appointment

Under the terms of his appointment, Mark will receive a base salary of \$250,000 plus superannuation.

Mark will be issued with 4,000,000 ordinary shares in CSG upon joining, which will be placed into escrow and released as follows:

- 1,333,333 on 31 December 2018;
- 1,333,333 on 31 December 2019; and
- 1,333,334 on 31 December 2020.

In the event that Mark resigns or his appointment is terminated for cause before any of the above dates, any shares that have not been released from escrow will be forfeited and may be bought back by the Company for nominal aggregate consideration.

In addition to the above, Mark will be eligible to participate in the Long Term Incentive Plan and will receive 5,000,000 Performance Rights in three tranches with the following vesting conditions:

- Tranche 1 – 1,666,666 Performance Rights will vest if, at any time during his appointment, the 20 day volume weighted average price (VWAP) of the Company's shares is \$0.40 or more;
- Tranche 2 – 1,666,667 Performance Rights will vest if, at any time during his appointment, the 20 day VWAP of the Company's shares is \$0.45 or more; and
- Tranche 3 – 1,666,667 Performance Rights will vest if, at any time during his appointment, the 20 day VWAP of the Company's shares is \$0.50 or more.

If the vesting conditions are met prior to 30 June 2019 for Tranche 1, 30 June 2020 for Tranche 2, or 30 June 2021 for Tranche 3, any shares that are issued on vesting of those Performance Rights will remain in escrow until those respective dates, unless agreed otherwise by the Board. In the event of resignation or termination of Mark's appointment by CSG for cause, any unvested Performance Rights will lapse.

In the event of a change of control event all shares that are the subject of Performance Rights will be released from escrow and all remaining Performance Rights will vest.

Any Performance Rights will lapse and be cancelled if they remain unvested on 30 June 2023.

Mark's appointment may be terminated by either party upon three months' notice, following an initial 3 month period during which termination may be by either party on 1 month's notice.