ASX ANNOUNCEMENT 16 June 2015

CEO Contract Extension

Enero Group Limited (ASX: EGG) (the "Company") today announced that Chief Executive Officer Matthew Melhuish has agreed to a variation and extension of his employment agreement.

Mr Melhuish's employment agreement will be extended for a further four years to 30 June 2019.

Chairman John Porter said, "The Board is pleased to extend Matthew's term for another four years and are looking forward to his continued leadership of the Group. The foundation now in place will provide many opportunities in line with our strategy for the next four years".

Under the terms of his amended contract, Matthew will have no change to fixed remuneration. The existing Short Term Incentive (STI) based on earnings per share growth will be replaced by a Revenue and Group EBITDA hurdle incentive encouraging growth each financial year commencing 1 July 2015. The Board believes this change to the STI ensures a close alignment in the creation of shareholder value through driving top line revenue growth along with EBITDA margin improvements.

In connection with the contract extension, Mr. Melhuish will be granted a further 1,000,000 Share Rights under the Company's existing Share Appreciation Rights Plan (SAR). This grant will be subject to shareholder approval at the Company's next Annual General Meeting.

A summary of the key terms of Mr Melhuish's amended employment agreement are set out in Attachment A.

This announcement is made by the Company pursuant to ASX Listing Rule 3.16.4.

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Attachment A - Summary of Key Terms of the Employment Agreement extension for Matthew Melhuish as Chief Executive Officer

Term	30 June 2019
Remuneration	Mr Melhuish's remuneration will consist of base salary and the short term and long term incentives described below with effect from 1 July 2015.
Fixed remuneration	Salary $800,000 per annum plus statutory entitlement to superannuation.
Incentives	*Short Term Incentive* Mr Melhuish will be entitled to an annual cash based Short Term Incentive (STI) payment relating to the achievement of Revenue and Group EBTIDA hurdles each financial year. The total maximum capped STI is 70% of Fixed Remuneration. *Long Term Incentive* Mr Melhuish will be issued, subject to shareholder approval, 1 million additional Share Rights under the Company's Share Appreciation Rights Plan. The Share Rights will vest in three tranches as follows: ▪ 333,333 Share Rights with a vesting date of 20 business days after the release to ASX of the Company's preliminary financial report for the financial year ended 30 June 2016 (First Vesting Date). ▪ 333.333 Share Rights with a vesting date of 20 business days after the release to ASX of the Company's preliminary financial report for the financial year ended 30 June 2017 (Second Vesting Date). ▪ 333,334 Share Rights with a vesting date of 20 business days after the release to ASX of the Company's preliminary financial report for the financial year ended 30 June 2018 (Third Vesting Date). Each Share Right when exercised and vested entitles the holder to receive a fraction of a Share based on the following formula: Share entitlement (E) = $\frac{A - B}{A}$ Where: A = Enero VWAP for the 20 trading days before the relevant Vesting Date. B = Enero VWAP for the 20 trading days before the Date of Issue of the Share Right. If A – B is less than or equal to zero, the Share Right will not vest and will immediately lapse on the applicable Vesting Date. No payment is required for any Share Rights or any Shares acquired pursuant to any exercised and vested Share Rights. The Plan Rules provide that, subject to the Board's discretion, unvested Share Rights will lapse upon termination of employment.

Termination Provisions	*Resignation by Mr Melhuish* Mr Melhuish may terminate his employment at any time by giving the Company 6 months' written notice. *Termination without cause by the Company* The Company may terminate Mr Melhuish's employment at any time by giving Mr Melhuish 6 months' written notice. Upon a party providing the other with notice of termination, the Company may, at its option, pay an amount in lieu of notice or place Mr Melhuish on a period of "garden leave". If Mr Melhuish resigns or is terminated without cause, he is entitled to receive a pro-rated STI for that period of the year worked prior to the date of termination. *Termination by the Company for cause* The Company may terminate Mr Melhuish's employment with immediate effect for cause (eg. serious breach of contract). *Termination by Mr Melhuish for cause* Mr Melhuish may terminate his employment with immediate effect for material breach by the Company, in which case the restrictive covenants shall not apply.
Restrictive Covenants	Mr Melhuish will be restrained from engaging in competition with the Company and its subsidiaries for up to 6 months following termination of his employment. Mr Melhuish is also restrained from soliciting or encouraging clients and/or staff of the Company and/or its subsidiaries to leave the business, or to cease or reduce their custom with the Company and/or subsidiaries for 12 months following termination of his employment.