

Level 21, 111 Pacific Highway
North Sydney NSW 2060
PO Box 1978
North Sydney 2059
Phone No: (02) 9935 2202
Fax No: (02) 9954 1724



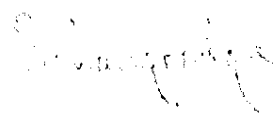
Fax

To: ASX
From: Sandra Langridge
Fax No: 1300 135 638
Pages: 4
Date: 24 October 2012
Re: ASX Announcement

Dear Sir or Madam,

Please find attached a copy of our announcement for lodging.

Kind regards



Sandra Langridge



24th October 2012

The Manager
Companies Announcement Office
ASX Limited
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam

EMPLOYMENT AGREEMENT OF NEW CEO

Further to the announcement on 22nd October 2012 regarding the appointment of Mr Mark Searles as the new CEO of Austbrokers Holdings Ltd, effective 1st January 2013, a summary of the terms and conditions of the employment agreement with Mr Searles is attached.

Yours sincerely,

S.S. Rouvray
Company Secretary
Austbrokers Holdings Limited

For further information, contact Steve Rouvray

Tel: (02) 9935 2201
Mobile: 0412 259 158

Summary of terms of employment agreement for Mark Searles

This document provides a summary only of the key provisions of the employment agreement between Mr Mark Searles and Austbrokers Services Pty Limited (**Company**).

1. Appointment

Appointed as the Chief Executive Officer and Managing Director of the Company and as a director of the Company commencing on 1 January 2013.

2. Term

The term of employment expires on 31st December 2015 unless continuation agreed with Mr Searles, subject to the termination provisions in the agreement.

3. Remuneration

- (a) The fixed remuneration is \$580,000 per annum (inclusive of statutory superannuation contributions), which is reviewed annually. In addition, the following amounts will be paid:
 - (i) living away from home allowance of up to \$50,000 per annum; and
 - (ii) reimbursement of reasonable out of pocket expenses.
- (b) Short Term Incentive (**STI**)
 - (i) Mr Searles will be eligible to participate in a STI scheme, subject to Board approval;
 - (ii) the maximum STI payable in respect of any financial year is 60% of Mr Searles fixed remuneration for that financial year and the maximum amount is pro-rated for the proportion of the financial year during which Mr Searle is employed; and
 - (iii) the maximum short term incentive payment for Mr Searles for the financial year ending 30 June 2013 is \$320,000 per annum (pro-rated for the part financial year). 50% of the 2013 STI will be subject to personal (individual or team based) hurdles which will be scaled up or down based on a factor relating to growth in operating profit after tax but before amortisation of intangibles (OPAT) over the previous year.
- (c) Long Term Incentive (**LTI**)
 - (i) Mr Searles will be eligible to participate in the Senior Executive Option Plan, subject to Board approval and (where required) shareholder approval;
 - (ii) the maximum LTI payable in respect of any financial year is 90% of Mr Searles fixed remuneration for that financial year;
 - (iii) subject to shareholder approval, on commencement of employment Mr Searles will be granted 200,000 LTI performance options and 33,000 LTI additional options, each with a nil exercise price;
 - (iv) the LTI performance options will be subject to an earnings per share (EPS) hurdle over a 3 year vesting period, with retesting after 5 years if the EPS is higher at the retest date; and
 - (v) the LTI additional options will be subject to an employment hurdle that Mr Searles remain an employee of a Austbrokers group company on 1 January 2016.

4. Termination

The agreement contains provisions for the termination of Mr Searles' employment as follows:

- (a) termination by Mr Searles on twelve (12) months' notice in writing to the Company or termination by the Company on twelve (12) months' notice in writing to Mr Searles - no entitlement for STI for that financial year if notice given before payment of the STI and all unvested LTI is forfeited (subject to Board discretion);
- (b) termination by the Company on six (6) months' notice in writing because of illness, injury or incapacity of Mr Searles - no entitlement for STI for that financial year if notice given before payment of the STI, a pro-rated vesting of the unvested LTI performance options (proportional to the length of employment relative to the 3 year vesting period) and 100% vesting of the LTI additional options under the Senior Executive Option Plan if termination occurs prior to 31 December 2015, and otherwise unvested LTI is forfeited (subject to Board discretion);
- (c) termination by the Company without notice - no entitlement for STI for that financial year and all unvested LTI is forfeited.

The agreement also provides that the Company may elect to make a payment in lieu of notice.

5. Miscellaneous

- (a) The agreement contains usual provisions:
 - (i) imposing restrictions on Mr Searles' ability to compete with any member of the Austbrokers Group after the termination of his employment;
 - (ii) imposing obligations on Mr Searles to keep information on the Austbrokers Group confidential and not to disclose it to third parties; and
 - (iii) with respect to intellectual property (e.g. patents, trademarks, copyright) created during the course of Mr Searles' employment, including the obligation to assign such property to the Company.
- (b) The agreement also contains a provision dealing with the Corporations Act limit on termination payments to be made to Mr Searles.