

ASX Release

Vocus Communications Limited (ASX: VOC)

EXECUTIVE DIRECTOR AND CEO AGREEMENTS

27 June 2016: In accordance with Listing Rule 3.16.1, Vocus Communications Limited ("Vocus", ASX: VOC) is pleased to announce that it has entered into new executive employment agreements with Executive Directors Vaughan Bowen and James Spenceley, and with Chief Executive Officer ("CEO") Geoff Horth.

Executive Director Agreements

Remuneration for the Executive Directors is aligned to shareholder interests, with a fixed and variable component, focused on increasing shareholder returns through M&A activity as well as achievable synergies and business health. Key terms of the agreement are:

- Base remuneration of \$330,000 (including superannuation)
- Eligibility to participate in the Vocus Communications Limited Long Term Incentive Plan, which aligns Executive performance with shareholder returns. Any grant of performance rights to the Executive Directors under this Plan will be subject to shareholder approval. The Board proposes to seek shareholder approval, at the next General Meeting, for the grant of 100,000 rights to each of Vaughan Bowen and James Spenceley, vesting in three tranches over three years.
- Either party may terminate the Agreement on 3 months' notice. If termination occurs at Company's election or if there is a fundamental change (company ceasing to be listed or substantial diminution of duties without Executive Director consent), then the Executive Director will be entitled to receive 6 months' payment
- The agreements are otherwise subject to customary terms, including appropriate restraints and conflict of interest provisions

As a once-off short term incentive, former CEO James Spenceley is to receive a payment of \$125,000 in the current fiscal year to reflect his contributions in the previous financial year as Managing Director and CEO of Vocus, and in the transition of responsibilities to the new CEO.

CEO Agreement

The terms of the CEO's agreement are as outlined in the Scheme Booklet (released to the ASX on 11th December 2015), other than a change in remuneration, reflective of the increase in responsibility as head of the merged group, with effect from 1 July 2016.

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Geoff Horth will be on a remuneration mix of approximately 50% fixed and 50% "at risk", consisting of:

- Fixed Remuneration of \$1,100,000 per annum inclusive of superannuation
- Short Term Incentive (STI) of up to \$600,000 subject to performance hurdles and targets
- Long Term Incentives (LTI) – \$600,000 in performance rights granted in accordance with the Vocus Communications Limited Long Term Incentive Plan rules. The number of performance rights will be determined with reference to the Vocus share price at the time of the grant.

ENDS

Media & Investor Contact Details

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About Vocus

Vocus Communications Limited ("Vocus", ASX: VOC) is a provider of fibre, data centre, unified comms and cloud services to corporate and government entities. In February 2016, Vocus merged with M2 Group Ltd, to create to create a vertically integrated trans-Tasman telco, with revenues of approximately \$1.8 billion. The merger takes Vocus into supply of broadband, fixed voice, mobile and energy services to consumer and business segments through the well-recognised Commander, Dodo and iPrimus brands, in Australia and Slingshot, Orcon and Call Plus brands in New Zealand.

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