

9 December 2019

Market Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Chief Executive Officer Appointment

The Reject Shop Limited (**TRS**) is pleased to announce Andre Reich has been appointed as Chief Executive Officer on and from 13 January 2020.

Andre is an experienced retailer with expertise in defining and delivering turnaround and growth outcomes.

Andre has more than 25 years of retail experience, most recently in the role of Chief Operating Officer at Wesfarmers Target Australia for 3 years and prior to that as General Manager of Merchandise & Marketing at Wesfarmers' Kmart Australia.

The Chairman of TRS, Steven Fisher, said: "Andre Reich is recognised across the market as a high performing retailing executive with extensive experience in low price retail formats."

"I am really pleased that Andre is keen to be part of the transformation of The Reject Shop as its next Chief Executive Officer. Andre sees the opportunities that the future holds for the company as we return to our core focus of discount variety retailing."

"The Board looks forward to Andre's leadership as we develop the right combination of best products at the lowest prices coupled with excellent in-store execution."

Andre Reich said: "It is a privilege to be given the opportunity to lead The Reject Shop, a business which has a successful history of discount retailing across Australia. Our future will include superior focus on our customer, fostering of a positive and proactive team culture and the delivery of sustainable commercial results."

Andre's previous experience includes.

Company	Role	Duration
Target Australia	Chief Operating Officer	3 years
Kmart Australia	General Manager Merchandise & Marketing	7 years
Review Australia	Chief Executive Officer	1.5 years
Myer	Various roles from sales assistant to Business Manager, Merchandise Menswear	12.5 years

Please find attached a summary of the key terms of the Executive Services Agreement between TRS and Andre.

Yours sincerely,

Michael Freier
Company Secretary

Summary of the key terms of the Executive Services Agreement between The Reject Shop Limited and Andre Reich

1. Appointment

Andre Reich will commence employment in the position of Chief Executive Officer (“CEO”) of The Reject Shop Limited on and from 13 January 2020 (“Commencement Date”).

2. Term

Andre’s appointment is ongoing with no fixed term. The termination provisions are set out below.

3. Remuneration

There are three components to Andre’s remuneration:

a. Fixed Remuneration

Andre will receive an annual fixed remuneration of \$800,000 (inclusive of cash salary, superannuation and salary sacrificed items) which will be reviewed annually.

b. Short Term Incentives (STI)

No STI will be payable in respect of the period from the Commencement Date until the completion of the current financial year.

For FY21, Andre will be eligible to receive an STI with an on-target value of 40% of his fixed remuneration subject to satisfaction of relevant key performance indicators, as determined by TRS’s board.

Subsequently, Andre will be eligible to annually participate in the Company’s STI arrangements at the discretion of the Board.

c. Long Term Incentives (LTI)

No LTI will be payable in respect of the period from the Commencement Date until the completion of the current financial year.

However, upon commencement, Andre will receive a one-off allocation of 300,000 performance rights, which will vest as follows:

- i) 50% on the third anniversary of the Commencement Date;
- ii) 25% on the fourth anniversary of the Commencement Date; and
- iii) 25% on the fifth anniversary of the Commencement Date.

The Board may lapse any unvested performance rights if Andre ceases employment prior to the relevant anniversary.

In FY21, Andre will be awarded an LTI under TRS's performance rights plan with a maximum LTI opportunity equivalent to 100% of his fixed remuneration. The performance rights will be subject to applicable vesting conditions determined by the Board.

For future years, Andre will be eligible to participate in the Company's LTI arrangements at the discretion of the Board and subject to any necessary shareholder approvals.

4. Termination Provisions

Either party may terminate Andre's employment at any time on six months' notice (or by TRS making a payment in lieu). In certain circumstances, TRS may reduce the notice period to a period of three months to one month in duration.

Additionally, Andre's employment may also be terminated immediately without notice in circumstances justifying summary dismissal.

5. Restrictive Covenant

Andre will be subject to a post-employment restraint for up to 6 months preventing him from being employed by a competitor and from (among other things) soliciting customers, employees and business.

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