



MEDIA RELEASE

MELBOURNE IT APPOINTS MARTIN MERCER AS CHIEF EXECUTIVE OFFICER

MELBOURNE, Australia – 17th January 2014 – Melbourne IT Limited (ASX: MLB) today appointed Martin Mercer as Chief Executive Officer.

The Board of Melbourne IT Ltd has appointed Martin Mercer as Chief Executive Officer and Managing Director, effective early April 2014.

Mr Mercer is currently Managing Director, Strategy and Fixed at Optus following four successful years as Chief Executive Officer of vividwireless and ten years in a number of significant leadership positions at Telstra. Mr Mercer has an impressive resume in strategy, sales, marketing and product development and general management and brings with him a reputation for excellence in both strategy and execution. Melbourne IT Chairman, Simon Jones, said “Mr Mercer was selected after an extensive internal and external review by Sheldon Harris Consulting. He will be supported in his role by Peter Findlay, our CFO and current Acting CEO. We are absolutely delighted to have an executive of the standing of Martin on board to help define and lead a refocussed business into its next phase of growth.”

Mr Mercer said he was very much looking forward to the challenges and significant opportunities of his new role.

Martin’s biographical details and key details of his new contract are below:

Martin Mercer’s CV

- 1998 – 2009 Various senior executive roles at Telstra, including Executive Director, Consumer Marketing and Managing Director of both Wholesale Sales and Products
- 2009 – 2013 CEO - vividwireless Group Ltd
- 2013 Managing Director, Strategy and Fixed – Optus

Education

Martin has a BA (Hons) and an LLB from the University of Sydney. He has a graduate diploma in Finance from the Securities Institute of Australia and studied economics and finance at the Woodrow Wilson School of Public and International Affairs, Princeton University. He is also a former Harkness Fellow.

About Melbourne IT

Melbourne IT (ASX:MLB) helps organisation of all sizes to successfully conduct business online. Our complete portfolio of Internet-based technology services drives business effectiveness and profitability for our customers.

The breadth of Melbourne IT’s offering extends from helping small businesses build an online presence through to managing the complex web environments of large enterprises and governments.

Melbourne IT’s culture of integrity, innovation, collaboration and customer centricity has been built by more than 300 employees spread across Australasia and the United States. For more information, visit www.melbourneit.info.

Media contact: Peter Findlay
Acting CEO
ph +61 3 8624 2366

Summary of the Material Terms and Conditions of the Executive Service Agreement executed between Melbourne IT Ltd and Mr Martin Mercer

1. Appointment

The appointment is to the position of Managing Director and Chief Executive Officer.

2. Term

The appointment commences early April 2014 and is ongoing with the termination provision summarised below.

3. Duties

The duties of Mr Mercer are those expected of the Managing Director and Chief Executive Officer, reporting to, and receiving direction from, the Board.

4. Remuneration

There are three components in Mr Mercer's remuneration as follows:

- a. **Fixed remuneration** – Mr Mercer will be paid fixed remuneration comprising regular cash payments and any salary sacrifice terms. His fixed remuneration will initially be \$500,000 plus statutory superannuation entitlement and will be reviewed annually effective 1st January.
- b. **Short term incentive (STI)** – Mr Mercer will be eligible for discretionary annual short term incentives. The initial annual STI opportunity is between 0% and 50% of Mr Mercer's fixed remuneration. This STI will be paid in cash.
- c. **Long term incentive (LTI)** – Mr Mercer will be eligible for an annual long term incentive award in accordance with a Melbourne IT equity incentive plan. It is intended that a new senior executive performance rights plan, with a similar construct to the existing Melbourne IT plan, will be taken to the Annual General Meeting in May for shareholder approval. Subject to this shareholder approval, Mr Mercer will participate in the new plan on the same terms and conditions as other eligible senior executives. Mr Mercer's first annual LTI award will be for performance rights to a value of \$350,000.

Each annual award and terms of the grant will be determined by the Board and subject to any necessary shareholder approval. If shareholder approval is sought but not obtained, Mr Mercer may be paid a cash equivalent.

5. Termination

Mr Mercer may resign by giving 6 months notice. Melbourne IT may terminate Mr Mercer's employment on 12 months notice.

On termination of employment, following notice by either party, Melbourne IT will pay all fixed remuneration and any statutory entitlements owing to Mr Mercer. Any STI or LTI not vested may be forfeited, paid or retained in accordance with the policies and plans applicable to the schemes, the terms of the grant or Board discretion.

There are provisions for immediate termination for misconduct. In this case, only accrued fixed remuneration and statutory entitlements would be payable.

6. Non competition and non solicitation

After termination of Mr Mercer's employment for any reason, Mr Mercer may not in Australia be involved in any business in competition with Melbourne IT for 6 months. He must not solicit or interfere with customers or employees for 6 months after termination.

7. Other provisions

The agreement also contains general provisions regarding confidentiality, privacy and intellectual property.