



12 June 2018

ASX RELEASE

## Executive Chairman's Contract

Organic phosphate development company Fertoz Ltd ("**Fertoz**" or the "**Company**", ASX: FTZ) is pleased to announce that it has entered into a new consultancy agreement with its Executive Chairman, Pat Avery. The agreement replaces the previous contract which recently expired.

A summary of the key terms of Mr Avery's contract is set out below:

### Term

Mr Avery has been re-appointed as Executive Chairman for a three-year period starting on 1 June 2018 or until terminated by either party.

### Remuneration

Mr Avery's current remuneration of US\$17,250 per month will increase to US\$20,000 per month effective from 1 January 2019 and thereafter will be reviewed annually by the Company. In addition, Mr Avery will receive the following performance package which is subject to approval by shareholders at a General Meeting:

- a) 2,000,000 fully paid ordinary shares upon signing of consultancy agreement.
- b) 1,000,000 fully paid ordinary shares upon the Company's share price closing at 28c or above for 10 consecutive trading days before 1 June 2021.
- c) 1,000,000 fully paid ordinary shares upon the Company's share price closing at 38c or above for 10 consecutive trading days before 1 June 2021.
- d) 1,000,000 fully paid ordinary shares upon the Company's share price closing at 50c or above for 10 consecutive trading days before 1 June 2021.
- e) 1,000,000 fully paid ordinary shares upon the Company's share price closing at 60c or above for 10 consecutive trading days before 1 June 2021.
- f) US\$50,000 cash bonus paid once the Company reaches a minimum of \$1m EBIT as shown in audited annual accounts.
- g) US\$100,000 cash bonus paid once the Company reaches a minimum of \$3m EBIT as shown in audited annual accounts.
- h) US\$200,000 cash bonus paid once the Company reaches a minimum of \$5m EBIT as shown in audited annual accounts

### Termination



**Registered Office**  
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**Board of Directors**  
Executive Chairman  
Non-Executive Director  
Non-Executive Director  
Company Secretary

P. Avery  
J. Chisholm  
A. Byass  
J. Stedwell

### Key Projects

Wapiti  
Fernie

**Fertoz Ltd**

Ownership: 100%  
Ownership: 100%

A.C.N. 145 951 622

Mr Avery will be paid the amount equal to three (3) months base salary on termination, except for termination by the Company for cause and other certain conditions.

## **Non-Executive Directors' Performance-Based Shares**

In addition to the above, the Company has agreed to issue 800,000 shares each with performance-based vesting conditions to non-Executive Directors James Chisholm and Adrian Byass, subject to shareholder approval. Vesting of the shares will be subject to the following performance hurdles:

- a) 200,000 fully paid shares, upon the Company's share price closing at 28c or above for 10 consecutive trading days before 30 June 2019.
- b) 200,000 fully paid shares, upon the Company's share price closing at 38c or above for 10 consecutive trading days before 30 June 2020.
- c) 200,000 fully paid shares, upon the Company's share price closing at 50c or above for 10 consecutive trading days before 1 June 2021.
- d) 200,000 fully paid shares, upon the Company's share price closing at 60c or above for 10 consecutive trading days before 1 June 2021.

The issue of securities to executives and directors as a form of incentive-based remuneration is common practice in listed companies and further encourages and rewards efforts by directors to improve the performance of the company for the commercial benefit of all shareholders.

The Board believes it is important to offer these Shares to continue to attract and maintain highly experienced and qualified Board members and executives in a competitive market (in a way that allows the Company to utilise its available cash for other preferred purposes).

### **For further information, please contact:**

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Executive Chairman

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