

9 June 2011

## ASX/MEDIA RELEASE

### Treasury Group Ltd Announces Appointment of CEO

Treasury Group Limited (ASX:TRG) has announced that Andrew McGill will succeed Mark Burgess as Chief Executive Officer (CEO) on 12 July 2011.

TRG Chairman Mike Fitzpatrick said in the search for the new CEO, the Board sought a business leader with entrepreneurial skills and significant mergers and acquisitions experience.

"We conducted an extensive local and international search for the right candidate and we are extremely pleased to have found someone of Andrew's calibre," Mr Fitzpatrick said. "We believe Andrew's exceptional skills in growing and developing businesses will make him an invaluable addition to the Executive."

Mr Fitzpatrick said the eight boutique fund managers within Treasury Group collectively hold more than \$16 billion in assets under management and that supporting the managers would be a key objective for Mr McGill.

"Andrew's immediate focus will be on growing and supporting managers within the TRG portfolio and assisting Premium Investors Limited. He will select and execute on a range of new investment opportunities currently under assessment, which will help take the Company through its next growth phase."

Mr McGill has more than 20 years financial markets experience, including recent exposure to the alternative asset sector of the funds management industry. He also has experience in the listed and unlisted asset management industry and brings a strong fiduciary inclination.

Most recently Mr McGill was a founding partner of Crescent Capital, a successful mid-market private equity firm. He also held senior roles with Macquarie Bank and was a strategy consultant with LEK Partnership. He has a strong track record in mergers and acquisitions and corporate finance.

Mr Fitzpatrick said Mark Burgess will step down as Managing Director on 24 June 2011. "Mark has made a tremendous contribution to the Group and we wish him every success in his new role as General Manager of the Future Fund."

David Cooper will continue work in an interim executive capacity until Mr McGill steps into the CEO role in mid July.

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## Key Terms of the Employment Agreement appointing Andrew McGill as Chief Executive Officer

### Commencement Date

12 July 2011

### Term

Ongoing (i.e. no fixed term)

### Salary

\$450,000 p.a. (including superannuation)

### Short Term Incentive (STI)

For the 2011/12 financial year an STI of up to 100% of base salary payable in 3 equal instalments over a 3 year period i.e. one-third by the end of July 2012, one-third by the end of July 2013 and one-third by the end of July 2014. The percentage payable will be determined by assessing Mr McGill's performance against a set of pre-determined KPIs, including financial and non-financial performance indicators.

### Long Term Incentive (LTI)

The LTI will be in the form of Performance Rights.

The parameters of these Performance Rights are outlined in the table below:

Condition	Terms
<b>Number of Performance Rights</b>	500,000 Each performance right, at the time of grant represents one TRG share if it vests.
<b>Grant Date</b>	500,000 on 12 July 2011
<b>Vesting Period</b>	Three (3) years
<b>Consideration</b>	\$0.00
<b>Vesting Conditions</b>	Tranche 1 – 50% of the Performance Rights will vest based on TRG's Total Shareholder Return (TSR) as compared to the S&P ASX 300 companies where: <ul style="list-style-type: none"> <li>- if the TSR is below the 50<sup>th</sup> percentile, no Performance Rights will vest;</li> <li>- if the TSR is at the 50<sup>th</sup> percentile, 50% of the Performance Rights will vest;</li> <li>- if the TSR is at or above the 75<sup>th</sup> percentile, 100% of the Performance Rights will vest; and</li> <li>- if the TSR is between the 50<sup>th</sup> and 75<sup>th</sup> percentile, a pro-rata number of shares will vest, i.e. 2% for every one percentile increase above the 50<sup>th</sup> percentile</li> </ul>

	<p>Tranche 2 – 50% of the Performance Rights will vest based on TRG’s Total Shareholder Return (TSR) as compared to selected competitor shares, equally weighted:</p> <ul style="list-style-type: none"> <li>- if the TSR is below the 50<sup>th</sup> percentile, no Performance Rights will vest;</li> <li>- if the TSR is at the 50<sup>th</sup> percentile, 50% of the Performance rights will vest;</li> <li>- if the TSR is at or above the 75<sup>th</sup> percentile, 100% of the Performance Rights will vest; and</li> <li>- if the TSR is between the 50<sup>th</sup> and 75<sup>th</sup> percentile, a pro-rata number of shares will vest, i.e. 2% for every one percentile increase above the 50<sup>th</sup> percentile</li> </ul>
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In determining the number of performance rights that vest, the TSR will be calculated by reference to the 20 day VWAP of the TRG shares immediately prior to the third anniversary of granting of the Performance Rights.

Performance rights will not be granted annually. For financial years beyond 2011/12, Mr Mc Gill will be eligible to participate in TRG’s LTI program at the Board’s discretion.

**Termination Provisions**

With Notice

Either Mr McGill or Treasury Group may terminate employment by giving six months written notice to the other party.

Without Notice

Treasury Group may terminate Mr McGill’s employment at any time without notice under certain circumstances (e.g. serious misconduct, misleading representation, incapacitation).

Payment on Termination

If Mr McGill’s employment is terminated without notice, no further payments will be by Treasury group except for unpaid salary accrued to the date of termination and accrued annual leave.

In the event that employment is terminated with notice, deferred STI will also be paid.