

23 May 2023

ASX Market Announcement Office
Australian Securities Exchange

Appointment of Managing Director & CEO

Baby Bunting Group Limited (Baby Bunting or the Company) today announces the appointment of Mr Mark Teperson as Managing Director & CEO, effective 2 October 2023.

Mark is a highly regarded retail leader with more than 20 years' experience across retail and fintech. He has a proven track record of driving exceptional results through re-imagining omni-channel customer experience, harnessing the power of data and technology and building strong high-performance cultures. Mark has extensive experience in a variety of disciplines including strategy, store design and operations, product development, merchandise, planning, payments, growth marketing, loyalty, and omni-channel retail.

He joins Baby Bunting from Afterpay where he was Global Chief Product & Chief Strategy Officer. At Afterpay, Mark was responsible for developing strategy and driving product development, innovating consumer experience and driving merchant value. Prior to his role at Afterpay, Mark was the Chief Digital Officer at Australia's largest footwear retailer, Accent Group, where he built the Digital business and capability from inception. Mark's foray into retail began at The Athletes Foot, and he went on to become General Manager of the children's speciality shoe retailer, Shoes & Sox, at age 22. He co-founded omni-channel retailer Shoe Superstore in 2005 which was acquired by Accent Group in 2009.

Baby Bunting Chair, Melanie Wilson, said, "In February 2023, we announced details of our leadership succession planning, and I am now very pleased to announce and welcome Mark Teperson as the next Managing Director & CEO of Baby Bunting. Mark brings deep omni-channel retail experience, passion for the consumer and relentless pursuits of excellence. He is a passionate retailer who has delivered significant growth and innovation in previous roles. The Board and I look forward to working closely with him as we drive the next phase of growth for Baby Bunting.

"I would also like to acknowledge and thank Matt Spencer for his leadership and his commitment to ensuring a smooth handover. The organisation he has helped to build and the impact he has had on the Company's strategy, structure and operations leave Baby Bunting well placed for continued success."

Mark Teperson said, "I am thrilled to be joining the team at Baby Bunting. The Company has achieved a lot and has set solid foundations for an exciting journey ahead. As I lead the business into its next phase of growth, I am fuelled by excitement. Returning to the world of retail, I am laser-focused on delivering unparalleled experiences and products and services that will truly captivate our customers. Being part of an organisation with a strong purpose and a leading omni-channel offering is a tremendous privilege. Together, we will create a world-class consumer experience making a lasting impression in the industry."

Matt Spencer, Baby Bunting's current CEO & Managing Director, will step down from his role with effect on 2 June 2023. He will continue to be an employee until 31 December 2023, during which time Matt will be available to provide ongoing assistance and guidance to assist with transitional matters.

Darin Hoekman, Baby Bunting's Chief Financial Officer, has been appointed interim CEO effective from 2 June 2023. He will return to his role as Chief Financial Officer upon Mark Teperson commencing on 2 October 2023.

The release of this announcement was authorised by the Board.

For further information, please contact:

Darin Hoekman
Chief Financial Officer
Ph: 03 8795 8100

Corey Lewis
Company Secretary
Ph: 03 8795 8169

Summary of material contract terms for Managing Director & CEO

In accordance with ASX Listing Rule 3.16.4, the material terms of the employment agreement with Mark Teperson are set out below:

Position:	Managing Director and Chief Executive Officer of Baby Bunting Group Limited.
Employment commencement date:	2 October 2023
Term:	Ongoing
Fixed annual remuneration (FAR):	<p>\$850,000 (inclusive of superannuation)</p> <p>Remuneration is reviewed annually, and the first review of Mark's remuneration will be in September 2024.</p>
Incentives:	Mark's participation in incentive plans is subject to the terms and conditions and rules of each plan as approved by the Board.
Incentives – Short Term Incentives:	<p>For FY24, variable STI opportunity equal to up to 100% of FAR.</p> <p>Annual awards under the Short Term Incentive Plan are subject to the achievement of growth targets set by the Board and Mark's individual performance (achievements and conduct) against specified KPIs.</p>
Incentives – Long Term Incentives:	<p>Subject to shareholder approval, Mark will be granted performance rights under the Company's Long Term Incentive (LTI) Plan for the three year performance period from the end of FY23 to FY26. The performance rights granted will provide Mark with a target variable LTI opportunity of 100% of his FAR and a maximum variable LTI opportunity of 150% of his FAR.</p> <p>The number of performance rights granted will be determined by dividing 150% of his FAR by the Company's share price during a 1 month pricing period commencing on 1 August 2024.</p> <p>Consistent with recent grants under the Company's LTI Plan, 60% of the rights will be assessed against an absolute TSR CAGR performance condition and 40% of the rights will be assessed against an absolute EPS CAGR performance condition.</p>

Incentives – Sign-on grant:

Subject to shareholder approval, Mark will be provided with a one-off grant of 467,289 rights under the Company's LTI Plan. One third of these rights will vest and become exercisable on each of the first, second and third anniversary of the commencement date of Mark's employment. Vesting is conditional upon Mark being employed by the Company (and not serving out a period of notice) at the time of vesting.

Minimum shareholding guideline:

The Company has recently adopted a Minimum Shareholding Policy for directors and key management personnel.

Mark will be required to achieve and maintain a minimum shareholding in Baby Bunting shares equivalent to 100% of his fixed annual remuneration. Mark has a maximum five-year period from commencing employment to accumulate the minimum shareholding.

Termination – resignation by Mark Teperson:

Mark may terminate his employment at any time by giving the Company 6 months' written notice. The Company may elect to pay in lieu of all or part of the notice period.

Termination – by the Company with notice:

The Company may terminate Mark's employment at any time by giving 6 months' written notice. The Company may elect to pay in lieu all or part of the notice period.

Termination – by the Company without notice:

The Company may terminate Mark's employment with immediate effect for cause.

Malus and clawback:

The terms of the grant of any long term incentives will provide for malus to be applied for unvested awards and for clawback provisions to be applied for vested awards. These provisions are enlivened in the event of serious misconduct or the identification of a serious adverse subsequent event.

In addition, under the employment agreement, if the Company makes a payment to Mark arising out of cessation of employment and he is subsequently found to have engaged in serious misconduct, clawback applies to those payments. This applies for two years after employment ends.

Post-employment restraint:

Mark has a 12-month post-employment restraint.