



REDBUBBLE ANNOUNCES CEO TRANSITION

Melbourne, Australia; 26 June 2018: Redbubble Limited (ASX: RBL), the leading global marketplace for independent artists, announced today that Martin Hosking, the company's Managing Director (MD) and Chief Executive Officer (CEO) since 2010 will retire as MD and CEO. The Board has appointed Barry Newstead, currently Redbubble's Chief Operating Officer (COO) as the next MD & CEO effective 1 August 2018.

An investor conference call will be held at 8.30am (AEST) on Wednesday, 27 June 2018. Further details are provided near the end of this announcement.

Martin will continue to be involved with the Company as a Non-Executive Director on the Redbubble Board and as a committed shareholder.

Richard Cawsey, Chair of the Redbubble Board, said: "Since co-founding Redbubble in 2006, Martin and his leadership team have delivered year after year of outstanding growth. From the beginning, Martin has been clear Redbubble was established for the long-term. He has helped to ensure its governance and operating structures will endure and support a vision larger than any one individual.

The Board is extremely grateful for his leadership which has seen Redbubble develop from a start-up to a globally competitive growth company. Few Australian companies are so well positioned for future impact. Martin's work has had an impact on hundreds of thousands of artists worldwide and he has assembled and inspired an immensely talented team embodying the values of the Company."

During Barry's almost five years' of service, he has demonstrated exceptional leadership and driven outstanding growth and scaling of the business, including the hiring of talented global leaders who now form Redbubble's core leadership team. "The Board believes Barry's appointment reflects the strength of the company's succession planning and the quality and depth of its management team" added Mr Richard Cawsey.

In explaining his decision, Martin Hosking said: "The past decade has been an incredible start to Redbubble's journey. The business is propelled by strong momentum, leading technology and favourable global consumer trends. I have worked with Barry for five years and attribute much of Redbubble's success to his leadership. He will be familiar to many investors, bringing the strategic

vision and operating depth the Company needs as it seizes the disruptive opportunity of global on-demand retail. Finally, while my role in Redbubble will change, my commitment to it as a non-executive director and as a shareholder will not. I look forward to continuing to support the Company whose mission and people I hold dear.”

Barry Newstead said, “I am delighted to be appointed MD & CEO and look forward to continuing to build on the many outstanding achievements of the company to date. I am deeply committed to the business, our mission, and potential for sustained growth and value creation. I am proud of what we have built under Martin’s leadership and energised by the opportunities for Redbubble.

We are just at the beginning of our endeavour to disrupt retail commerce globally. I look forward to continuing to create value for shareholders, employees, artists and partners for many years to come. I am personally committed and excited by the opportunity to serve Redbubble’s people, partners and shareholders.”

Barry Newstead's CEO Employment Agreement

A summary of the material terms of Barry Newstead’s CEO Employment Agreement is provided in the Schedule to this release. The Redbubble Board considers that Mr Newstead’s remuneration package is consistent with benchmarks for comparable listed companies and aligned with shareholders’ interests. The package provides a blend of salary, annualised share grant awards, subject to agreed objectives, and a Long Term Incentive (LTI) of Share Appreciation Rights (SARs) with share price hurdles. The package is heavily weighted to share grants based on performance, both short and long term, to drive alignment of interests with shareholders.

The LTI vests after 4 years subject to a share price hurdle that reflects the growth aspirations of the company. Should the company’s share price grow by less than 20% compound per annum, Mr Newstead will not receive the full potential value of the LTI. The proportion of LTI he receives declines and reaches a zero payout should share price growth be at or less than least 10% per annum compound.

Notice of Conference Call

Richard Cawsey (Chair), Martin Hosking (Chief Executive Officer), and Barry Newstead (Chief Executive Officer Designate) will host an investor conference call at 8.30am (AEST) on Wednesday 27th June 2018.

A full transcript and recording of the briefing will be made available on the Redbubble Investor Centre website: shareholders.redbubble.com. The recording will also be available on openbriefing.com

The dial-in details for the call are set out below.

Dial-In Details for within Australia:

Participant toll: +61 2 8038 5221

Participant toll-free: 1800 123 296

Conference ID: 3157 487

Participants can dial either of the numbers above to join the call and quote the Conference ID provided above. To ask a question, participants will need to dial “*1” (star, 1) on their telephone keypad.

International Dial-In Details: The numbers below are toll-free dial-in numbers for each country listed below. For countries not listed below, the Australian Participant Toll number listed above can be dialled. The same Conference ID provided above applies i.e. **3157 487**

Canada 1855 5616 766

China 4001 203 085

Hong Kong 800 908 865

India 1800 3010 6141

Japan 0120 994 669

New Zealand 0800 452 782

Singapore 800 616 2288

United Kingdom 0808 234 0757

United States 1855 293 1544

For further information, please contact:

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About Redbubble

Founded in 2006, Redbubble is a global online marketplace (redbubble.com) powered by over 600,000 independent artists. Redbubble’s community of passionate creatives sell uncommon designs on high-quality, everyday products such as apparel, stationery, housewares, bags, wall art and so on. Through the Redbubble marketplace independent artists are able to profit from their creativity and reach a new universe of adoring fans. For customers, it’s the ultimate in self expression. A simple but meaningful way to show the world who they are and what they care about.



Schedule - About Barry Newstead and CEO Employment Contract Terms

About Barry Newstead

Barry Newstead joined Redbubble in 2013. As Chief Operating Officer, he has had executive responsibility for Redbubble's growth and culture. He formed Redbubble's physical products and new markets teams in his first year which have been key engines of growth. Under his leadership, the technology, product, design, marketing, strategy, commercial and operations teams have been built to scale driving much of Redbubble's growth and strengthening economics, while building platforms for the long term. Barry led the design of the marketplace flywheel that underpins the company's growth strategy.

Prior to joining Redbubble, Barry held internet focused executive roles at the Wikimedia Foundation (which runs Wikipedia) in San Francisco and at Australia Post. Earlier, he was a strategy consultant with the Boston Consulting Group and the Bridgespan Group (an affiliate of Bain & Company) advising on corporate strategy, business scaling and leadership development. Barry has worked extensively in North America, Asia, Europe and Australia, and he is a permanent resident of Australia.

Barry earned his bachelor's degree from Ivey Business School, Canada, and a Master's degree from Harvard University, USA. Barry is a graduate of the Australian Institute of Company Directors. He is a Board Member at the Foundation for Young Australians.

Summary of material terms of Barry Newstead's Employment Agreement

The Redbubble Board considers that Mr Newstead's remuneration package is consistent with benchmarks for comparable listed companies and aligned with shareholders' interests. The package provides a blend of salary, annualised share grant awards, subject to agreed objectives, and a Long Term Incentive (LTI) of Share Appreciation Rights (SARs) with share price hurdles. The package is heavily weighted to share grants based on performance, both short and long term, to drive alignment of interests with shareholders.

The LTI vests after 4 years subject to a share price hurdle that reflects the growth aspirations of the company. Should the company's share price grow by less than 20% compound per annum, Mr Newstead will not receive the full potential value of the LTI. The proportion of LTI he receives declines and reaches a zero payout should share price growth be at or less than least 10% per annum compound.

Position	Chief Executive Officer. Mr Newstead will also join the Redbubble Board as Managing Director.
Date	1 August 2018.
Term	No fixed term. Ongoing until terminated by either party in accordance with the Employment Agreement.

Fixed Remuneration \$500,000 per annum (including superannuation), increasing by 5% per annum for the first three years and subject to annual review thereafter.

Short Term Incentive (STI) The STI for the first four years of Mr Newstead's employment will comprise a grant of 875,000 Performance Rights (each relating to one Redbubble Share) on the terms set out below. For subsequent years, any STI is at the Board's discretion.

- (a) Subject to the Board determining that relevant key performance indicators (to be determined by the Board) have been achieved, 218,500 Performance Rights will vest on 1 August each year, provided Mr Newstead remains employed as Chief Executive Officer as at the relevant vesting date. Performance Rights that do not vest on their scheduled vesting date will lapse.
- (b) Redbubble has the option to cash settle Performance Rights, rather than delivering Redbubble shares.
- (c) The Shares provided upon exercise of Performance Rights will be subject to disposal restrictions for a period of one year from the date of vesting.

The grant of Performance Rights is conditional upon obtaining any necessary shareholder approvals.

Long Term Incentive (LTI) The LTI for the first four years of Mr Newstead's employment will comprise a grant of 5,666,668 Share Appreciation Rights (SARs) on the terms set out below. For subsequent years, any LTI is at the Board's discretion.

- (a) A proportion of outstanding SARs, as set out below, will vest on the date on which the Redbubble Board determines the Year-4 VWAP (being the VWAP of Redbubble shares for the forty trading days following the release of Redbubble's Appendix 4E (or Appendix 4C, if applicable) for the period ending 30 June 2022), provided that Mr Newstead is still employed as Chief Executive Officer of Redbubble as at 1 August 2022 leaves Redbubble other than as a result of resignation or termination for cause:
 - (i) if the Year-4 VWAP is equal to or greater than \$3.32 – 100%;
 - (ii) if the Year-4 VWAP is equal to or less than \$2.34 – 0%; and
 - (iii) if the Year-4 VWAP is greater than \$2.34 but less than \$3.32 – a proportion of SARs determined in accordance with the following formula (and rounded down to the nearest whole number):

(Year-4 VWAP less \$2.34), divided by \$0.98

- (b) If Mr Newstead leaves Redbubble prior to 1 August 2022 other than as a result of resignation or termination for cause, he will retain a pro rata proportion of the SARs (relative to the amount of the initial four year employment period that has lapsed as at the date of cessation of employment), and the remainder of the SARs shall lapse, unless determined otherwise by the Redbubble Board.
- (c) Upon exercise of a SAR, Redbubble will deliver a number of Redbubble shares equal to the Year-4 VWAP less \$1.60, divided by the Year-4 VWAP (or, at the discretion of the Board, a cash equivalent).

The grant of SARs is conditional upon obtaining any necessary shareholder approvals.

Mr Newstead's employment may be terminated by either party on six months' notice. Redbubble may also terminate Mr Newstead's employment with immediate effect for cause (e.g. breach of

contract, serious misconduct or gross negligence). Redbubble may a make a payment referable to Mr Newstead's Total Fixed Remuneration in lieu of some or all of the notice period.