



ASX ANNOUNCEMENT

1 February 2016

New Executive Director and CEO Appointments

VDM Group Limited (**VDM**) advises the below changes to its management structure to align with the increased importance of mining to the Company's business strategy.

Dr Dongyi Hua will transition from his current position as Managing Director and Chief Executive Officer and assume a new part-time position of Executive Director, Mining. In his new executive role, Dr Hua will focus on the growth and success of VDM's mining division.

Sam Diep has been appointed as VDM's new Chief Executive Officer, commencing on 29th February 2016.

Mr Diep's biographical details and a summary of the key terms of his employment are set out below. The revised terms of Dr Hua's employment have yet to be settled. A further announcement will be made once these terms have been finalised.

Sam Diep – Biography

Mr Diep's career spans 25 years in the Construction and Mining sectors over three continents. He joins VDM from BGC Contracting where he served as General Manager Pre-Contracts. Mr Diep's other previous roles with BGC Contracting include Manager Business Development and Estimating. Prior to this he held a range of other senior positions including both General Manager Business Development and Operations Manager with DTMT Construction, and Director for Brain Projects Pty Ltd in China.

Mr Diep holds a Master of Science and a Bachelor of Applied Science from Curtin University of Technology and he is a member of the Australian Institute of Company Directors.

Sam Diep – Key Terms of Employment

Position: CEO, reporting to the Board of VDM Group Limited

Base salary: \$369,308 (inclusive of superannuation)

Stock options: VDM will issue Mr Diep with the following VDM share options.

- 10 million options with an exercise price of \$0.015, exercisable 1-year after employment start date and expiring 4-years after employment start date.
- 10 million options with an exercise price of \$0.020, exercisable 2-years after employment start date and expiring 5-years after employment start date.
- 10 million options with an exercise price of \$0.025, exercisable 3-years after employment start date and expiring 6-years after employment start date.

BOARD & MANAGEMENT

Mr Luk Hiuming
NON-EXECUTIVE CHAIRMAN

Dr Dongyi Hua
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER

Mr Michael Fry
NON-EXECUTIVE DIRECTOR

Mr Velko (Vic) Jakovich
NON-EXECUTIVE DIRECTOR

Mr Pdraig O'Donoghue
CHIEF FINANCIAL OFFICER
COMPANY SECRETARY

REGISTERED OFFICE

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CONTACT DETAILS

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SHARE REGISTRY

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Services Pty Limited
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Melbourne, VIC 3001
Tel: 1300 850 505

ASX CODE

VMG

All options will expire if Mr Diep leaves VDM for any reason.

Bonus: Eligible to participate in the Company's annual bonus incentive arrangements. The rules of the bonus incentive arrangement will be set by the board and can be amended by the Board from time to time.

Termination: Either party may terminate the employment contract by giving the other party three months' notice, or payment in lieu. The Company also has the right to terminate his employment without notice in the event of serious misconduct, in which case he would be only entitled to payment for time worked up until the dismissal.

Restrictions after termination: Restricted for a period of six months after termination from:

- being engaged in competition with VDM in Western Australia;
- inducing employees to leave VDM; or
- persuading VDM's clients to cease or reduce business.

For further information please contact:

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