



the **Hydroponics** company

www.thcl.com.au

19 October 2017

# CHIEF EXECUTIVE OFFICER, CHAIRMAN APPOINTMENT AND BOARD CHANGES

## ***Appointment of Group Chief Executive Officer (CEO)***

The Board is pleased to announce and welcome the appointment of Mr David Radford as Chief Executive Officer of the Company, effective immediately.

Mr Radford is an internationally experienced senior executive with a track record of driving profitable growth across multiple geographies and business segments. His international experience was with COBE Laboratories, Recall Limited (a division of Brambles Australia), GE Healthcare and Nanosonics Limited (ASX:NAN). David also has ASX company CEO experience with Nanosonics and Bioxyne Limited (ASX:BXN) as well as experience in deal origination for private equity funds.

In selecting Mr Radford, the Board were attracted to his experience in the healthcare industries and CEO experience in high growth ASX companies. The medicinal cannabis industry is in its early stage of development around the world and changing rapidly and the company needs people with skills in high growth companies and developing profitable and defensible strategies. David also brings strong corporate governance and listed company experience to the Company.

The key terms of Mr Radford's remuneration are:

- Base remuneration of \$325,000 exclusive of superannuation entitlements;
- Short term incentive (STI) of \$50,000 with key performance targets that are focused on expansion of the Canadian business;
- Long term incentive (LTI) package of 3,120,000 three-year options vesting 25% on issue, and 25% on each anniversary of the employment agreement for a period of up to three years.

The terms of the LTI are subject to shareholder approval and will be put to shareholders at the next meeting.



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***New Chairman – Ian Mutton***

In positioning the company for growth, the directors have appointed Ian Mutton, an existing non-executive director, as Chairman of the company replacing Alan Beasley who will remain on the board as a non-executive director and continue to assist and guide the Company in that capacity.

The Board thanks Mr Beasley for his valuable contributions in his time as Chairman and leadership of the company through its capital raising, listing and ASX debut.

As a senior legal practitioner Mr Mutton brings his significant experience in contract related matters and competition and product liability laws. He has previously worked with the Commonwealth Crown Solicitor, Trade Practices Commission, and in recent year has participated and Chaired a number of ASX listed Boards.

The Board welcomes this relevant leadership in conjunction with the CEO appointment this day ensuring an agile approach to a dynamic market in Medicinal Cannabis.

***Managing Director and Executive Board Member Changes***

In conjunction with these changes Hamish MacDonald has formally stepped down as Managing Director of the company. He will cease to be an Executive Board member and will henceforth remain as a non-executive Director.

John Hall has also resigned as an Executive Director effective this day. Mr Hall has stepped down from the Board in order to focus his time and attention on the development of the Medicinal Cannabis strains, contracted staff and facilities at Bundaberg. In prioritizing these resources, the Board is confident that this will support the current applications for its growing and manufacturing licenses that the Company has on hand, in addition to building the IP portfolio around Medicinal Cannabis strains.

The directors thank both Hamish and John for their contributions to date from the Company's foundation to Initial Public Offering and are appreciative of the ongoing support given during the next stages of growth.

For further information, please contact:



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**Chief Financial Officer**

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The Hydroponics Company (ASX: THC) is at the forefront of developing a leading, diversified worldwide cannabis business, focused on three core business units: Development and delivery of medicinal cannabis, manufacturing and distribution of hydroponics equipment, materials and nutrients, and large scale hydroponic greenhouse design and construction. With +17 years of Cannabis sativa breeding, variety selection and growth management, THC is actively developing plant breeding technology to target multiple markets for high purity cannabidiol (CBD), a new class of medicinal product that can be used to target dementia, epilepsy and other neurological disorders.

**Disclaimer Regarding Forward Looking Statements**

This announcement contains forward-looking statements which are identified by *italics* words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.