



NEW CEO EMPLOYMENT AGREEMENT

Melbourne, Australia; 11 November 2019: Redbubble Limited (ASX: RBL), which owns and operates Redbubble and TeePublic, the leading global marketplaces for independent artists, today announces that the Company and its CEO, Mr Barry Newstead, have entered into a new employment agreement. As foreshadowed in the Company's FY2019 Remuneration Report released to the market on 28 August 2019, the new employment agreement will bring Mr Newstead in line with the new Redbubble Group executive remuneration model.

The Redbubble Board considers that Mr Newstead's new remuneration package is consistent with benchmarks for comparable listed companies and aligned with shareholders' interests, with an emphasis on value derived from share price growth and a long-term focus. The package provides a blend of salary, annual long-term equity grants of Performance Rights (being zero-priced options) and annual long term incentive grants of Share Appreciation Rights with share price hurdles. Mr Newstead's total annual remuneration may be reviewed and revised by Redbubble from time to time at its absolute discretion.

A summary of the material terms of the employment agreement is set out in the Schedule to this release.

For further information, please contact:

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About Redbubble Group

Founded in 2006, the Redbubble Group incorporates Redbubble Limited and its subsidiaries, including TP Apparel LLC (TeePublic). The Redbubble Group owns and operates the leading global online marketplaces hosted at Redbubble.com and TeePublic.com, powered by over one million independent artists. The Redbubble Group'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 and TeePublic marketplaces, 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: Summary of material terms of Barry Newstead's Employment Agreement:

Position: Chief Executive Officer
Mr Newstead will also continue to serve on the Redbubble Board as Managing Director.

Effective Date: 1 October 2019

Term: No fixed term. Ongoing until terminated by either party in accordance with the Employment Agreement.

Fixed remuneration: \$600,000 per annum (including superannuation)

Long-term Equity (LTE): An annual grant of Performance Rights with an aggregate value of \$300,000 (subject to obtaining any necessary shareholder approval). Each Performance Right confers a right to receive one fully paid Redbubble share upon exercise (or, at the discretion of the Board, a cash equivalent), subject to adjustment under the rules of the Redbubble Equity Incentive Plan, for example as a result of a reorganisation of Redbubble's capital. The number of Performance Rights to be granted to Mr Newstead in respect of the one year period beginning 1 October 2019 will be determined by dividing Mr Newstead's LTE component (\$300,000) by the volume weighted average price of Redbubble shares for the ninety calendar days preceding 1 October 2019.

The Performance Rights will vest on 1 October 2020 provided Mr. Newstead remains employed as CEO as at that time. Vesting of the Performance Rights will not be subject to the satisfaction of any performance conditions.

Performance Rights that have vested are able to be exercised during the period from vesting until the date that is ten years after their grant.

Shares issued upon the exercise of Performance Rights will be subject to disposal restrictions for a period of one year from the date of vesting of those Performance Rights.

Long-term Incentive (LTI): An annual grant of Share Appreciation Rights (**SARs**) with an aggregate value of \$800,000 (subject to obtaining any necessary shareholder approval).

SARs comprise a right to receive, upon exercise, a number of shares (or, at the discretion of the Board, a cash equivalent) determined by reference to the increase in Redbubble's share price over a specified period.

The number of SARs to be granted to Mr Newstead for the one year period beginning 1 October 2019 will be determined by dividing the LTI component of his remuneration package (\$800,000) by the fair market value of a SAR. The fair market value of a SAR is determined by the Board based on a Monte Carlo simulation valuation model.

Upon exercise of the SARs referred to above, Mr. Newstead is entitled to receive a number of fully paid Redbubble shares determined in accordance with the following formula:

$$(Relevant\ VWAP - Base\ Price) / Relevant\ VWAP$$

Where:

Relevant VWAP means the volume weighted average price of Redbubble shares for the ninety calendar days immediately preceding exercise of the SARs.

Base Price means the volume weighted average price of Redbubble shares for the thirty calendar days preceding 1 October 2019 (subject to adjustment by the Board where it considers there to have been unusual trading activity).

The formula is subject to adjustment under the rules of the Redbubble Equity Incentive Plan, for example as a result of a reorganisation of Redbubble's capital.

Vesting of the SARs is conditional upon:

- Mr Newstead remaining employed by the Company as at the 1 October that follows their grant date;
- the Board determining that 'health indicators' for the Company in respect of the financial year have been achieved; and

The SARs also have an exercise condition that must be satisfied on or following vesting before they can be exercised. The exercise condition is that the volume weighted average price of the Company's shares over a period of 90 calendar days during the five-year period commencing on 1 October 2019 exceeds a threshold minimum growth rate (CAGR) of 10% compounded annually.

The health indicators relate to cash flow, growth in artworks uploaded by authentic artists, member and app revenue growth and 12 month rolling turnover. The health metrics are intended to ensure that Share Appreciation Rights will only vest if the Company achieves minimum thresholds with respect to these matters. They are not intended to operate as stretch targets, given that vesting of the Share Appreciation Rights will also be conditional upon a sustained increase in the Company's share price. The Board may determine that only a portion of the Share Appreciation Rights vest, where only some of the health indicators have been achieved.

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

make a payment referable to Mr Newstead's Total Fixed Remuneration in lieu of some or all of the notice period.