



Australian Agricultural Company Limited
ABN 15 010 892 270

Australian Agricultural Company appoints Jason Strong as Managing Director and CEO

ASX Announcement No. 01/2014

24 January 2014

The Board of Australian Agricultural Company Limited announced today that Jason Strong, the company's current General Manager Marketing, has been appointed Managing Director and Chief Executive Officer (CEO).

AACo Chairman Donald McGauchie said "After conducting an international search the Board unanimously decided that we had our new CEO in the business. We have all been impressed by Jason's performance. He is an experienced executive with a lifelong commitment to improvement of the Australian beef industry. Since 2012, Jason has had responsibility for AACo's Branded Beef Group, driving significant profit growth through improved efficiency. Jason has spearheaded a range of marketing and supply chain initiatives, and has been responsible for developing strategies for selling the offtake of the company's Darwin abattoir, which is scheduled to commence production in the second half of 2014.

"Jason has a strong grounding in disciplines critical to AACo's successful diversification from capital intensive primary production as we move to both increase the company's earnings and reduce the cyclicity of these to generate higher and adequate returns on capital. He has wide experience in all elements of sales and marketing, including international business development, and is extremely well regarded across the company and the industry."

Commenting on his appointment, Jason Strong said: "Since joining AACo in November 2012 it has been a privilege to be part of a team charged with developing the company's strategy for increased vertical integration. In my new role I look forward to leading the execution of the company's strategy and delivering on AACo's potential."

Prior to Jason Strong's appointment AACo's Chief Financial Officer, Craig White, has been serving as CEO on an interim basis. Commenting on Craig White's role, Mr McGauchie said: "The Board and I would like to thank Craig for the leadership and judgment he has shown as interim CEO during a period where AACo undertook a capital raising that significantly strengthened the balance sheet and positioned the company to accelerate its vertical integration strategy.

"Craig will continue to be a key part of the Executive team as Chief Financial Officer."

Media enquiries:

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Summary of material terms and conditions of the appointment of Mr Jason Strong as CEO and MD – pursuant to ASX Listing Rule 3.16.4

Term and termination	Mr Strong's appointment as CEO and MD commences immediately and has no fixed term. Mr Strong may resign at any time by giving 6 months' written notice. AACo may terminate Mr Strong's employment at any time by giving 6 months' written notice. AACo may terminate Mr Strong's employment without notice in the case of serious or wilful misconduct or in other limited circumstances.
Fixed remuneration	Mr Strong's total fixed remuneration is \$550,000 per annum inclusive of superannuation, subject to annual review by the Board.
Variable or 'at risk' remuneration – Short term incentive (STI) plan	Mr Strong will be eligible to earn STI benefits each year, in the form of a potential cash bonus. The actual cash bonus earned by Mr Strong (if any) will be determined at the discretion of the Board after assessing the performance of AACo and the performance of Mr Strong against agreed performance hurdles. The minimum possible cash bonus outcome is zero and the maximum possible cash bonus outcome is \$200,000 per annum.
Variable or 'at risk' remuneration – Deferred equity award (DEA)	Mr Strong will be eligible to earn DEA benefits each year, in the form of performance rights. The actual DEA earned by Mr Strong (if any) will generally be set at 50% of the amount of the STI cash bonus actually earned. The performance rights granted to reflect this value are generally subject to two-year (50%) and three-year (50%) service vesting conditions. Accordingly, the minimum possible DEA outcome is zero and the maximum possible DEA outcome is \$100,000 per annum. Any DEA outcome resulting in an issue of securities to Mr Strong will be subject to security holder approval.
Variable or 'at risk' remuneration – Long term incentive (LTI) plan	Mr Strong will be eligible to receive LTI benefits each year, comprising performance rights equal in value to up to 50% of his fixed remuneration. The actual LTI earned will be determined at the discretion of the Board and may be subject to internal and external performance hurdles which are required to be achieved over a three-year service vesting period. The minimum possible LTI outcome is zero and the maximum possible LTI outcome is \$275,000 per annum. Any LTI outcome resulting in an issue of securities to Mr Strong will be subject to security holder approval.
Payments post-employment	AACo will pay all payments in lieu of notice, accrued leave or redundancy in accordance with applicable laws. AACo has a Good Leaver and Bad Leaver Policy and if Mr Strong is determined to be a Good Leaver then the Board will consider the circumstances and may exercise its discretion to allow some or all of any unvested performance rights to vest (and be exercised).
Restraint provisions	Mr Strong will be subject to 12 months' restrictions for competition, employee inducement and client solicitation, following termination of his employment.
Other provisions	The agreement also contains general provisions regarding confidentiality and privacy, intellectual property and moral rights.