

12 August 2014

GrainCorp announces appointment of Managing Director & Chief Executive Officer

GrainCorp today announced the appointment of Mark Palmquist as the company's Managing Director and CEO.

Mr Palmquist is currently the Executive Vice President and Chief Operating Officer, Ag Business at CHS, a leading global agribusiness, diversified in energy, grains and food. He oversees all CHS's international grain-related business units and has held several leadership roles in the food and agricultural industries over a 35 year career spanning North America, South America, Europe and Asia.

Mr Palmquist is scheduled to commence at GrainCorp on 1 October 2014, and will be relocating from Minnesota, USA, following his departure from CHS on 31 August 2014.

GrainCorp Executive Chairman and interim CEO, Don Taylor said GrainCorp's Board was pleased to announce the appointment of Mr Palmquist following an extensive international search.

"GrainCorp's Board is delighted to have secured a candidate of such high calibre and international standing," Mr Taylor said.

"We are confident that Mark's skills and extensive experience will be invaluable to the ongoing growth of GrainCorp as a global agribusiness and food ingredients company. The company remains focused on building shareholder returns through the program of strategic initiatives we have been implementing since 2012.

"Mark brings a valuable combination of deep industry knowledge and global management experience to GrainCorp. We are all excited about working with him as he leads GrainCorp into its next phase of growth, enhances our customer offering and grows value for our investors."

Mr Palmquist said: "I have worked around the world and GrainCorp is by any measure an outstanding company. GrainCorp's board, management team and people have transformed the company into a leading agribusiness with a strong international reputation. It is a privilege to be joining the company at such an exciting time."

Mr Palmquist will be assisted in terms of handover by Mr Taylor from commencement, following which Mr Taylor will resume his role as non-executive Chairman.

GrainCorp's board expressed its appreciation to Mr Taylor for his strong commitment to the company during his period as interim CEO, noting in particular the substantial progress on the regeneration of the Storage & Logistics business, the optimisation of GrainCorp Oils' processing footprint and the growth of GrainCorp Liquid Terminals.

FURTHER INFORMATION

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MARK PALMQUIST BIOGRAPHICAL DETAILS

Mark Palmquist is Executive Vice President and Chief Operating Officer, Ag Business, for CHS. He is responsible for all global ag-related business units including crop nutrients, grain marketing, terminal operations, exports, logistics and transportation, along with soybean processing operations and protein food operations.

Mr Palmquist joined CHS in 1979 and started out as a grain buyer, before moving into grain merchandising. There, he traded a number of commodities including corn, soybeans and spring wheat. In 1990, Mr Palmquist was promoted to vice president and director of the grain marketing division. In 1993, he was named senior vice president of that area.

Since 2001, he has held a variety of leadership roles for a broad range of CHS agricultural inputs and marketing areas, retail businesses and grain-based food and food ingredients operations. Mr Palmquist was named executive vice president and chief operating officer in 2005 and served in his most recent role at CHS since January 2011.

He serves on the board of directors of Ardent Mills and is a long standing member of the Minneapolis Grain Exchange and the Chicago Mercantile Exchange.

Mr Palmquist earned a bachelor's degree in business from Gustavus Adolphus College and attended the University of Minnesota MBA program.

INVESTOR WEBCAST

GrainCorp will host an investor webcast at 11.00am AEST at:

<http://www.brrmedia.com/event/125302/>. A recording of the webcast will be available later in the day.

SUMMARY OF MATERIAL TERMS OF CONTRACT

The key service agreement terms for the Managing Director as agreed between GrainCorp Limited and the Managing Director are as follows:

1. Term of Contract

The contract will commence on 1 October 2014 and will continue until terminated by either party in accordance with the relevant termination provisions. The employment is conditional on the Managing Director being granted permission to work in Australia for the Company.

2. Remuneration

(a) Total Fixed Remuneration (TFR)

Commencing fixed remuneration of \$1,200,000, reviewed annually in accordance with the Company's usual performance review practices.

(b) Short-Term Incentive (STI)

The range of the potential STI Cash Bonus is between 0% and 150% of the Managing Director's TFR, with a target bonus of 100% of TFR for achievement of the target level KPIs.

3. Long Term Incentive (LTI)

Subject to shareholder approval, the Managing Director will be granted a number of rights under the LTI Plan each financial year of the employment. The LTI Plan allocation of Share Performance Rights is 100% of TFR. Rights vest over a 3 year period subject to the satisfaction of vesting conditions as determined by the Board. The award or vesting of any rights on termination (other than for summary dismissal) will be at the discretion of the Board.

4. Deferred sign-on Payment

The Managing Director is entitled to receive a deferred sign-on payment of up to \$7,200,000, payable on the third anniversary of the commencement date. The maximum amount of the deferred sign-on payment will be reduced by the amount of payments of total fixed remuneration, short term incentives at target, the gross value of long term incentive benefits when awarded and otherwise in the Board's discretion where there has been underperformance or unethical or unprofessional behaviour.

The deferred sign-on payment is not payable where summary termination occurs or where the employment has terminated and the Company subsequently discovers that the Managing Director had acted in a manner which would have entitled the Company to terminate the Executive's employment summarily.

It was necessary to include a sign-on payment in the contract, recognising the uncertainty in relation to the company's ownership during the period in which candidates were being sought for the position.

5. Termination

In the event of termination of the Managing Director's contract, the following will occur:

(a) Termination on notice by either the Managing Director or Company

In the event of termination by either party and without cause:

- 6 months' notice is required;
- Company may pay TFR in lieu of notice.

(b) Summary Termination

If termination is for cause¹ the following applies:

- No notice required;
- TFR paid up to and including the termination date; and
- STI and LTI Share Performance Rights - company is not obliged to pay any STI / or award or vest shares or rights.

(c) Termination upon failure to perform duties for an extended period

If termination is for illness, injury or other cause fixed remuneration will be paid up to and including the termination date and the following applies:

- payment of 6 months' TFR in lieu of notice;
- at the Board's absolute discretion, an additional ex-gratia payment for the Managing Director's past services;

less any amount paid to the Managing Director under any salary continuance policy howsoever affected.

¹ Includes where the Managing Director engages in any fraudulent act, wilfully fails or wilfully neglects to carry out duties in satisfactory manner, serious or persistent breach of contract terms, refuses or neglects to comply with any lawful or reasonable order given by the Board, convicted of an indictable offence wilfully engages in false or misleading conduct.

(d) Termination on grounds of redundancy

In circumstances where the Company determines the Managing Director's position is redundant, the Company may terminate the employment by;

- provision or payment of 6 months' notice; and
- a payment of an additional 6 months' severance pay.

(e) Termination by Managing Director due to material change

The Managing Director may terminate the employment at any time by providing one month's written notice of termination to the Company where a material adverse change to the Managing Director's powers, duties, responsibilities, authority or status in the Managing Director's role occurs, without the Managing Director's consent.

The notice must be provided by the Managing Director within one month of the material change and the Company has one month from receipt of the notice to remedy the material change to the Managing Director's satisfaction. In the event the Company fails to remedy the material adverse change the Managing Director's entitlements are as per (d) above.

6. Other terms

Other key terms of employment are as follows:

(a) Relocation costs

The Company will pay immigration, travel, temporary accommodation costs and provide other relocation assistance, including accountant and tax assistance as required. In addition, the Managing Director will be paid \$20,000 to cover other incidental costs of relocation.

(b) Other benefits

The Company will provide other additional benefits in relation to fulfilling tax return filing obligations in multiple jurisdictions and costs of travel for the Managing Director and his wife to the USA during the first two years of the Managing Director's employment.

(c) Non-compete

The Managing Director is subject to restrictions which prevent him being involved in a competing business or soliciting employees, customers and suppliers of the GrainCorp Group for 3 months following the cessation of his employment with the Company where terminated on account of redundancy, and otherwise for 6 months.

(d) Confidential information and IP

The Managing Director is subject to standard obligations addressing confidential information and intellectual property generated in the course of employment.