



Australian Agricultural Company Limited
ABN 15 010 892 270
ASX:AAC

Appointment of Managing Director and Chief Executive Officer

ASX Announcement

27 September 2022

The Board of AACo today announced the appointment of Mr David Harris as AACo's Managing Director and Chief Executive Officer. The appointment will take effect on 27 September 2022. Mr Harris has been acting Chief Executive Officer since 21 June 2022.

AACo Chairman Donald McGauchie said "David has been a leading member of the AACo team since he began working with us in 2016. The Board have been impressed with his performance as acting Chief Executive Officer and, having had the opportunity to review other candidates, formed a unanimous view that he was the best person to lead the company.

David has demonstrated his understanding of the importance of optimising and making value chains more efficient and sustainable. He is experienced in the development and implementation of strategies and business plans focused on achieving improved profitability, efficiency and value creation in new products."

David said "It is an honour to be appointed the Managing Director and Chief Executive Officer of AACo. I look forward to continuing to work with the team to drive the performance of the business..."

Biographical information

David Harris was originally appointed as AACo's Chief Operating Officer in March 2020 and has been with the company since 2016, reporting to the CEO and Board of Directors with a focus on improving operational aspects across the business.

With extensive supply chain experience across various aspects of Australian agriculture, David has developed a broad depth of knowledge in the operation of large-scale intensive animal production systems, having previously held executive positions with Stanbroke, Smithfield Cattle Co. and running his private agricultural consultancy business and family farming operations in central west, New South Wales.

David holds a Bachelor of Rural Science from the University of New England specializing in ruminant nutrition and meat science.

A summary of the material terms of David's service agreement are set out in Annexure A.

This announcement is authorised for release by the AACo Chairman.

Bruce Bennett
Company Secretary and General Counsel

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Annexure A
Summary of material terms and conditions of service agreement for Mr David Harris
as Managing Director and Chief Executive Officer – pursuant to ASX Listing Rule 3.16.4

Term and termination	Mr Harris' employment in the position of Managing Director and Chief Executive Officer will commence on 27 September 2022 and has no fixed term. Mr Harris may resign at any time by giving 6 months' written notice. AACo may terminate Mr Harris' employment at any time by giving 6 months' written notice or payment in lieu. AACo may terminate Mr Harris' employment without notice in the case of serious, wilful or persistent misconduct.
Total fixed remuneration	Mr Harris' total fixed remuneration is \$700,000 per annum inclusive of superannuation and any applicable tax (except payroll tax) payable by AACo on his total fixed remuneration, subject to review by AACo on 31 March 2023 and then annually in or around July each year (including in or around July 2023). A review does not guarantee an increase, however Mr Harris' total fixed remuneration may not be reduced.
Variable or 'at risk' remuneration – Short term incentive (STI)	Mr Harris may be eligible to earn STI benefits each year, in the form of a potential cash bonus. The actual cash bonus earned by Mr Harris (if any) will be determined at the discretion of the Board after assessing the performance of AACo and the performance of Mr Harris against agreed performance hurdles. The minimum possible cash bonus outcome is zero and the maximum possible cash bonus outcome is \$350,000 per annum (being 50% of his total fixed remuneration).
Variable or 'at risk' remuneration – Deferred equity award (DEA)	Mr Harris may be eligible to earn DEA benefits each year, in the form of performance rights. The actual DEA earned by Mr Harris (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 \$175,000 per annum. Any DEA outcome resulting in an issue of shares to Mr Harris will be subject to any required shareholder approval.
Variable or 'at risk' remuneration – Long term incentive (LTI)	Mr Harris will be eligible to participate in AACo's LTI plan, subject to the terms of that plan and any required shareholder approval. The number of performance rights granted and the performance conditions applying to the vesting of those performance rights will be determined at the discretion of the Board. Mr Harris will be entitled to exercise any performance rights granted to him under the LTI plan if they have vested and not otherwise lapsed. The circumstances in which performance rights may lapse include non-satisfaction of performance conditions or ceasing employment with the AACo group. If a change of control event for AACo occurs, the treatment of any unvested performance rights will be within the discretion of the Board.
Payments on termination	On termination: <ul style="list-style-type: none"> • AACo will pay accrued components of total fixed remuneration (including any payment in lieu of notice) and amounts in lieu of unused annual leave or accrued under applicable long service leave legislation; and • if Mr Harris ceases employment in certain circumstances (e.g. death, permanent disablement, retirement, retrenchment or other circumstances as determined by the Board) his unvested performance rights granted as a DEA and his performance rights granted under the LTI plan will continue to be subject to their vesting conditions unless the Board determines in its sole discretion that some or all of those vesting conditions are waived or some or all of those unvested performance rights lapse. However, AACo is not required to provide Mr Harris with any benefit that causes it either to breach its obligations or to be required to obtain shareholder approval under applicable laws or the ASX Listing Rules.
Restraint after employment ends	Mr Harris will be subject to restrictions for business competition, solicitation of directors, employees or contractors and dealings with clients, customers and suppliers for a period of 12 months after termination of his employment.
Other provisions	The agreement also contains general provisions regarding confidentiality, privacy, company property (including intellectual property) and moral rights.