

ASX ANNOUNCEMENT**27 August 2014**

ASX Market Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

By electronic lodgement**Managing Director and CEO Key Employment Terms**

Further to the appointment of Mr Mark Rowsthorn as Managing Director and Chief Executive Officer of McAleese Limited (ASX: MCS) (**McAleese Group** or the **Company**) advised to ASX on 28 March 2014, a market assessment has been undertaken to set an appropriate remuneration package for Mr Rowsthorn in accordance with relevant benchmarks.

Mr Rowsthorn initially joined McAleese Group in October 2011 as Chairman. A proven leader with over 35 years' experience in the Australian and international transport sectors, Mr Rowsthorn was appointed Managing Director and Chief Executive Officer by the Board earlier this year as part of a strategic renewal of the Board and management.

Mr Rowsthorn was a co-founder and Executive Director of Toll Holdings Limited and, prior to joining McAleese Group, was Managing Director and Chief Executive Officer of Asciano Limited.

McAleese Group Chairman, Mr Don Telford, commented, "The Board is pleased with the progress that Mark and the management team are realising as they stabilise the Group and improve business performance."

A summary of the key terms of Mr Rowsthorn's employment is attached.

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Summary of the Key Terms of Employment for Mr Mark Rowsthorn

1. Commencement Date

Mr Rowsthorn formally commenced his role as Managing Director and CEO of McAleese Group on 28 March 2014.

2. Term

Mr Rowsthorn has been appointed for an ongoing term subject to termination by either party (see section 4 below).

3. Remuneration

a) Fixed Annual Remuneration (FAR)

Mr Rowsthorn is entitled to FAR of \$500,000 (inclusive of superannuation). This will be subject to annual review.

b) Short-Term Incentive (STI)

Mr Rowsthorn is entitled to an STI target opportunity of 60% of FAR per annum, with a maximum target opportunity of 90% of FAR per annum, subject to attainment of financial and non-financial targets set by the Board.

c) Long-Term Incentive (LTI)

Mr Rowsthorn is entitled to participate in the McAleese Group LTI Plan (LTIP) in accordance with its rules. Subject to the requisite shareholder approval, Mr Rowsthorn will be entitled to a maximum annual LTI grant with a face value of 60% of FAR per annum.

4. Termination

Mr Rowsthorn's employment may be terminated at any time by either party on the provision of 6 months' notice.

The employment agreement does not provide for any termination payments other than payment in lieu of notice (if applicable) and other statutory entitlements.

Mr Rowsthorn's employment may also be terminated by McAleese Group without notice in circumstances of serious misconduct, wilful disobedience, serious incompetence or any other reason that would justify summary dismissal at common law.

5. Restrictive Covenant

Mr Rowsthorn will be restrained for up to 12 months after termination of his employment with McAleese Group from being engaged in competition with McAleese Group, and for up to 12 months after termination of his employment from soliciting McAleese Group employees or persuading people who do business with McAleese Group to cease or reduce their business with McAleese Group.

Ends