



Friday, 1 June 2012

The Manager  
Company Announcements  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam

**COMMENCEMENT OF RICHARD FRANCIS AS SPARK INFRASTRUCTURE MANAGING  
DIRECTOR AND CHIEF EXECUTIVE OFFICER**

Further to our announcement of 16 January 2012, Mr Richard (Rick) Francis commenced in the role of Managing Director and Chief Executive Officer of Spark Infrastructure on 31 May 2012. A summary of key terms of Mr Francis' employment agreement is attached.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Alex Finley". The signature is stylized and cursive.

**Alexandra Finley**  
Company Secretary

## **Summary of Key Terms of Employment Agreement – Appointment of Richard Francis as Spark Infrastructure Managing Director and Chief Executive Officer**

In determining the Managing Director's and Chief Executive Officer's (MD) employment agreement, the Company took into account benchmarking against Australian listed peers and other relevant information provided by external remuneration consultants.

### **(a) Duration of the Contract**

The MD is employed under a continuing contract with no fixed term.

### **(b) Remuneration**

- (i) Fixed Remuneration – the MD's fixed gross remuneration is \$580,000 per annum inclusive of compulsory superannuation contributions. The fixed remuneration will be reviewed annually with the first review to occur in January 2013.
- (ii) Car park – the MD will be provided with a car parking space at or near the Company's business premises.
- (iii) Short term incentive (STI) – The range of the MD's annual STI payment is between 0% and 60% of his Fixed Remuneration for each financial year (January to December or any pro-rata period as below). The actual STI payment will be determined by the Board in its discretion taking into account the extent to which the MD has met quantitative and qualitative performance objectives set by the Board. STI payments will be in cash. The MD will remain eligible for a STI payment for a part year of completed service (unless his employment is terminated for cause) in an amount determined by the Board save that any such payment must be pro-rated and must not be less than 50% of the maximum bonus for the pro-rated period worked.
- (iv) Long term incentive (LTI) – The MD will participate in the LTI Plan. Under the LTI Plan, participants receive performance rights entitling them to a cash amount after a 3 year performance period equivalent to the market value of Spark securities at the end of that period together with an amount equivalent to any distributions paid on Spark securities during that period. The payment of these cash amounts will be dependent upon specific performance hurdles for Spark securities being met.

The MD's target LTI award for the period commencing 1 June 2012 is 60% of his fixed annual remuneration pro-rated to 31 December 2012. The target for subsequent periods will be determined by the Board. The actual LTI amounts awarded to the MD will be determined by the Board in its discretion.

### **(c) Termination of Employment**

The MD's employment may be terminated at any time by the Company giving 6 months' notice or by the MD giving 6 months' notice. In each case the Company may make a payment in lieu of all or part of the notice period calculated on the MD's Fixed Remuneration plus payment in lieu of annual STI

referable to the notice period, save that any STI payment must not be less than 50% of the maximum bonus for the notice period. The MD will also receive payment of accrued statutory entitlements.

Where the Company terminates the MD's employment (other than for cause) the MD will receive a termination payment of 12 months Fixed Remuneration. Further, it is intended that the MD will be entitled to retain vested and unvested performance rights granted under LTI Plan awards. Unvested performance rights will be subject to the same performance hurdles and performance periods as if the MD's employment continued.

If the MD terminates his employment by notice, it is intended that he will be entitled to retain vested performance rights granted under LTI Plan awards and a pro-rata portion of the unvested performance rights according to the portion of the relevant performance period that the MD was an employee. The retained portion of the unvested performance rights will be subject to the same performance hurdles and performance periods as if the MD's employment continued.

The Company may terminate the MD's employment immediately in certain events including serious misconduct and material breach of contract. On termination for cause (including serious misconduct or material breach of contract), no pro rata STI payment is payable, no termination payment will be made and it is intended that all unvested performance rights lapse.

Notwithstanding the above, the Board retains its discretion to vest or lapse more or less performance rights in accordance with the LTI Plan Rules.

(d) Non-Competition and Non-Solicitation

If the MD's employment is terminated for cause or the Company elects to make a payment in lieu of all or any part of the period of notice of termination required under the MD's employment agreement or where the MD purports to cease employment before the expiry of his notice period under his employment agreement, the MD may not be involved in any business in competition with the Company or Spark Group for 6 months (reduced by any period the Company requires the MD to refrain from working or providing services during his notice period, provided he has complied with the Company's requirements) following termination of his employment, save for acting in a non-executive capacity and may not solicit certain businesses, employees, contractors or agents of the Company or Spark Group for the same period. This restriction applies to Australia.