

CSR Limited

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16 May 2019

Appointment of Chief Executive Officer & Managing Director

CSR Limited (CSR) today announced the appointment of Julie Coates as Chief Executive Officer and Managing Director of the company, effective 2 September 2019. This follows the announcement late last year that, after eight years leading the business, Rob Sindel would retire in 2019.

CSR Chairman, John Gillam, said that following a comprehensive search process that assessed a strong field of external and internal candidates, the Board is delighted that Ms Coates will join CSR to lead the continued growth and development of its businesses and people.

Ms Coates is currently Managing Director Australia & New Zealand at Goodman Fielder Limited, a major food products manufacturer and distributor, where over the last four years she has led a significant improvement in the business' operational and financial performance.

Commenting on Ms Coates' appointment, Mr Gillam said:

"Julie is an outstanding senior executive whose broad experience and leadership qualities will support the continued strengthening of CSR to create further value for shareholders.

"Julie has a strong track record in manufacturing operations as well as large-scale complex supply chain and logistics expertise. She also has a deep understanding of product, brand and marketing, as well as digital transformation and global sourcing. These combined skills will be invaluable as CSR continues to adapt to change, innovate and pursue growth," said Mr Gillam.

Prior to Goodman Fielder, Ms Coates spent 12 years at Woolworths in a variety of senior executive roles including Chief Logistics Officer, Human Resources Director and Managing Director of Big W. During her leadership of Big W from 2008 to 2013 she delivered an average annual EBIT of circa \$190m whilst driving a major digital transformation of the business.

Ms Coates said: "I look forward to working alongside the many talented people at CSR and with customers to bring them new and better solutions. CSR is a great company and manufacturing success story with well-known and trusted brands and a strong future.

Mr Gillam said Mr Sindel had been an outstanding CEO and that the Board was very grateful for his significant contribution since he assumed the role in January 2011.

"Under Rob's leadership, CSR has become more resilient through a focus on high quality operational outcomes, coupled with well-executed acquisitions and divestments. He has diversified earnings, strengthened the balance sheet and embedded a culture of performance and innovation. Rob's leadership has been pivotal in creating a foundation for CSR's long-term success and he is rightfully highly regarded within CSR and the wider industry," said Mr Gillam.

Mr Sindel will continue in the business until mid September to ensure an orderly transition. The material terms of Ms Coates' Executive Services Agreement are set out in the attachment.



Julie Coates - Biography

Ms Coates is currently Managing Director, Australia & New Zealand of Goodman Fielder Limited, a leading manufacturer, marketer and distributor of food products with turnover of circa \$2bn. She has led a significant improvement in the operational and financial performance of Goodman Fielder's Australian operations over the last four years by re-engineering and digitising the supply chain, optimising the manufacturing platform and improving customer interface and engagement.

She was previously Managing Director of Big W from 2008-2013 during which time she led a major transformation to support the business' shift to become a multi-channel retailer and delivered an average annual EBIT of circa \$190 million. Throughout this period the business had a significant strategic focus on supply chain optimisation, process improvement, inventory management and team development.

Her other senior executive appointments include Chief Logistics Officer and Human Resources Director at Woolworths and Operations Director at David Jones.

Ms Coates is currently a Non-Executive Director of Coca-Cola Amatil Limited. She was previously a Non-Executive Director of Spotless Group Holdings from January 2016 to July 2017 and a Board Member of the Australian Food & Grocery Council from 2015 to 2019.

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Summary of material terms of Executive Services Agreement dated 16 May 2019

Key terms	Details
Name	Julie Coates
Position	Chief Executive Officer and Managing Director
Commencement Date	2 September 2019
Term	No fixed term. Ongoing until terminated by either Ms Coates, or CSR in accordance with the Agreement.
Base remuneration	\$1,150,000 per annum, including superannuation (to be reviewed annually from 1 July 2020)
Short term Incentive (STI)	<p>Ms Coates will be eligible for a discretionary short-term incentive as determined by the Board from time to time.</p> <p>For the first financial year, Ms Coates is eligible for an STI opportunity of up to 100% of Fixed Annual Remuneration for exceptional performance as determined by the Board. Achievement of target performance would result in 70% of the maximum being paid. Ms Coates' final STI payment for this period will take into account her commencement in the role being part-way through the financial year.</p> <p>Under the current STI deferral rules, 20% of the STI value will be deferred into CSR shares which vest in two years from the date of the award.</p>
Long term incentive (LTI)	<p>Ms Coates will be eligible to participate in the Company's Performance Rights Plan (PRP) with participation, hurdles and vesting conditions to be set by the Board, subject to shareholder approval.</p> <p>Maximum opportunity in any year is 120% of Fixed Annual Remuneration. Ms Coates' LTI opportunity for the first financial year will be pro-rated reflecting her commencement in the role being part-way through the financial year.</p>
Transition benefits	In consideration for the forfeiture of her former employers' entitlements, Ms Coates will be entitled to a one off grant of CSR shares equivalent to \$400,000, with the number of performance rights granted to be calculated based on the 10 day VWAP leading up to her start date. These shares will vest on 2 September 2022, provided Ms Coates is still employed by CSR. This is the only vesting condition.
Termination provisions	<p>Ms Coates can resign from her employment by giving six months' notice or CSR may terminate her employment by giving 12 months' notice.</p> <p>CSR may summarily terminate Ms Coates' employment without notice in certain circumstances including serious misconduct.</p>
Other terms	The Executive Services Agreement also includes standard terms covering confidentiality, intellectual property and moral rights. It also includes post-employment restraints which apply for up to 12 months following termination.