



30 April 2014

## Appointment of new Chairman and Chief Executive Officer

Elders Limited (ASX:ELD) advises that Mark Allison, who has been chairing Elders' Executive Committee since the departure of the former CEO in November 2013, has been appointed Chief Executive Officer and Managing Director, effective 1 May 2014. Accordingly, Mr Allison has resigned as Chairman of the Elders Board.

Mr Hutch Ranck has been elected independent non-executive Chairman by the Board. In addition, Mr James Jackson has been elected Deputy Chairman.

Following an extensive recruitment process conducted by executive search firm Heidrick & Struggles which included internal and external candidates, the Board determined that Mr Allison was the best candidate for the CEO role. Mr Allison has extensive agribusiness sector and corporate strategy experience and has had close involvement with Elders' operations over the last five months in chairing the Executive Committee.

Mark Allison was previously Chief Executive Officer of Grain Growers Limited and has also held CEO positions with Wesfarmers Landmark, Wesfarmers CSBP, Makhteshim Agan Australasia, and Crop Care Australasia.

Chairman Hutch Ranck said, "the skill set Mark has demonstrated in his work over recent months with the executive team as well as his experience as the CEO of several successful rural businesses are crucial attributes now that Elders is operating as a pure agribusiness.

"Mark has proven experience in driving organisation-wide improvement across key areas such as safety, operational performance and capital management and this aligns with the priorities the Elders Board set out to shareholders at the 2013 AGM.

"In particular, Mark's experience in running a rural distribution network and his understanding of the opportunities and challenges facing the rural industry, both domestically and abroad, are highly relevant to Elders' operations," Mr Ranck said.

Mr Allison, who will be based in Adelaide, said, "I am honoured to take on the CEO role at Elders as the company continues its progress as a pure agribusiness.

"Elders is a company with an established branch network, an internationally recognised brand and market-leading positions in key product areas and geographies and we owe it to all our stakeholders to perform to our potential and deliver real value.



“We will continue our focus on creating a culture that is values, safety and performance-based. We will strive to strengthen and expand our domestic retail, agency and financial service products and international operations. We’ll also continue to pursue our capital management and balance sheet improvement objectives.

“I am mindful that Elders’ staff, clients, security-holders, suppliers and financiers have been through significant change and challenging times in recent years, but I am very encouraged by the progress we are now making towards our goals,” Mr Allison said.

A summary of the key elements of Mr Allison’s CEO remuneration package follows as an annexure.

ENDS

**Media enquiries**

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**Annexure:**

Annexure A: Summary of key terms of CEO employment agreement



## **Annexure A Summary of Key Terms of Employment Agreement for CEO and Managing Director**

The key terms of Mr Allison's employment agreement are set out below. The terms have taken into account the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations as well as industry practice.

The remuneration package has been structured to ensure alignment of Mr Allison's remuneration with the achievement of the Company's objectives.

### **(a) Term of contract:**

- Mr Allison's contract commences on 1 May 2014 and has no fixed term.

### **(b) Remuneration**

- **Fixed Pay** – Total remuneration is \$820,000 comprising base salary of \$802,225 and any obligation under the Superannuation Guarantee legislation (currently \$17,775 per annum). It is subject to review by the Remuneration and Human Resources Committee in accordance with the Company's annual review cycle;
- **Short Term Incentive (STI)** - The STI benefit is determined by the Board after each annual performance review against pre-determined KPIs and can range from 0% to 100% of base salary;
- **Long Term Incentive (LTI)** - It is the Board's intention to offer Mr Allison participation in a Long Term Incentive program once it forms the view it has the appropriate capital structure in place and subject to shareholder approval and any other regulatory requirements.

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

- **Termination with Notice** - Either party may terminate employment at any time by giving the other party the following period of notice:
  - by the Company:
    - six (6) months where less than or equal to one (1) year of service has been completed;
    - nine (9) months where greater than one (1) years' service but less than or equal to two (2) years of service has been completed; and
    - twelve (12) months where greater than 2 years of service has been completed
  - by Mr Allison – six (6) months.

The Company may, at its discretion, elect to pay the equivalent base salary in lieu of some or all of the notice period.

- **Termination by the Company without Notice** – The Company may terminate employment immediately for serious misconduct, without any obligation to give notice or make payment in lieu of notice.

### **(d) Non-competition and Non-solicitation**

- After cessation of employment Mr Allison will be restrained from, amongst other things participating in a business in competition with the Company and soliciting Company staff for a period of up to 12 months from his termination date.

### **(e) Condition**

- The contract is subject to Mr Allison continuing to meet the Company's prudential criteria including a fit and proper person test.