



Aurizon Holdings Limited
ABN 14 146 335 622

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

2 September 2016

Aurizon announces MD & CEO succession

Please find attached announcement for release to the market.

Kind regards

A handwritten signature in black ink, appearing to read "D. Smith", with a horizontal line underneath the first part of the signature.

Dominic D Smith
VP & Company Secretary

ASX Announcement

2 September 2016

Aurizon announces MD & CEO succession

Aurizon Holdings today announced the impending departure of Managing Director & Chief Executive Officer Lance Hockridge and the appointment of Andrew Harding as his successor.

Until June this year Mr Harding had worked for more than twenty-four years at Rio Tinto and its subsidiaries, most recently as Chief Executive Iron Ore. Prior to his most recent role he held various executive management, operating and functional roles both domestically and globally across the Rio Tinto business.

Mr Harding holds a Masters of Business Administration from Deakin University and a Bachelor of Mining Engineering from the University of New South Wales.

In making the announcement Aurizon Chairman Tim Poole said a priority for the Board this year had been CEO succession planning.

“Our inaugural Managing Director & CEO, Lance Hockridge, has led the company since our IPO in 2010 and has been a chief architect of our success to date,” Mr Poole said.

“Lance’s leadership and vision have been crucial to what we have been able to achieve as a company. Our financial and operating performance metrics have significantly improved since IPO and he has been successful in bringing many in line with world class performance.”

Mr Poole said after completing an extensive global search process, the Aurizon Board was delighted to be able to secure a successor of the calibre of Mr Harding.

“Andrew’s ability and experience will be essential in driving the next phase of transformation to increase value for Aurizon shareholders,” Mr Poole said.

“He has global operational experience, has managed complex logistics operations attached to mining operations and has a detailed understanding of the issues facing our customers.”

Mr Harding will commence with Aurizon on 1 December 2016. Mr Hockridge will continue in his role with full responsibilities as MD & CEO until Mr Harding commences and on ceasing employment with Aurizon later that month will receive termination benefits in accordance with the provisions of his contract of employment as previously disclosed.

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ANNEXURE A: BIOGRAPHY OF ANDREW HARDING



Career Overview

Until June 2016, Andrew Harding was the Chief Executive Iron Ore at Rio Tinto, a position he held for three years. Andrew's twenty-four-year executive career has been spent with Rio Tinto and in its subsidiary companies. Rio Tinto is a FTSE/ASX dual-listed leading global metal and mining corporation with a diversified portfolio spanning 40 countries across 8 major products including copper, iron ore and thermal and metallurgical coal.

After completing a Bachelor of Mining Engineering from the University of New South Wales, Andrew joined Rio Tinto in 1992. He subsequently progressed within the organisation across operational and functional roles with increasing seniority.

Andrew's first experience as a divisional Chief Executive Officer was in 2007 where he led a Rio Tinto subsidiary, Kennecott Utah Copper, after first serving as Chief Operating Officer. In 2009, Andrew was then promoted to the role of global Chief Executive Copper, where he held P&L leadership over mines across three continents. He also had responsibility for major projects in the United States and Mongolia, where he was instrumental in making the Oyu Tolgoi mine operational.

In his three-year tenure as Chief Executive Iron Ore, Andrew successfully led one of Rio Tinto's most profitable divisions, which in 2015 generated underlying earnings approaching US\$4 billion.

In this role, Andrew oversaw a number of strategic and operational initiatives, including reducing the operating cost of the Iron Ore Group by half between 2013 and 2015, thereby positioning Rio Tinto as the lowest cost major iron ore producer in the Pilbara region, while simultaneously delivering an increase in Pilbara mine production of over 40%.

In addition to his operational and commercial achievements, Andrew has championed a number of workplace initiatives including improvements in safety, a commitment to diversity, and the strengthening of indigenous and community relationships.

Andrew also holds a Masters of Business Administration from Deakin University and is married with three daughters.



ANNEXURE B: SUMMARY OF KEY TERMS AND CONDITIONS OF EMPLOYMENT FOR ANDREW HARDING

A summary of the material terms and conditions of the employment agreement entered into with Andrew Harding are provided below.

Key Terms	Details
Commencement date	Mr Harding's appointment as Chief Executive Officer and Managing Director of Aurizon Holdings Ltd (Company) will commence on 1 December 2016 (Commencement Date).
Term	Mr Harding's appointment is ongoing with no fixed term.
Fixed Remuneration	Fixed Remuneration of \$1,700,000 (including salary, superannuation contributions and any salary sacrificed benefits) (TFR) which will be reviewed annually.
At risk remuneration	<p>1 Short term incentive: Mr Harding will be eligible to receive an annual short term incentive (STI) with an "on target" STI of 100% of his annual TFR and a maximum opportunity of 150% TFR, subject to the Board's assessment of his achievement of applicable performance targets. Mr Harding's STI for FY17 will be pro-rated to recognise his employment is commencing part way through the performance year. Any STI awarded to Mr Harding will be awarded as 60% Cash STI and 40% Deferred STI. Any Deferred STI will take the form of an award of rights and will be deferred and will not vest for 12 months from the award date. STI awards are subject to clawback where the Board becomes aware of a material financial mis-statement or dishonest or fraudulent conduct by Mr Harding which would have impacted the Board's determination of the STI award. Any Deferred STI will lapse where Mr Harding's employment ends on account of his resignation or where he is terminated for cause by the Company prior to the vesting date for Deferred STI.</p> <p>2 Long term incentive: Mr Harding will be eligible to participate in the Company's Long Term Incentive Plan(LTIP) with a maximum annual opportunity of an award of performance rights of up to 120% of his annual TFR. The vesting of these performance rights will be subject to achievement of performance conditions over a defined vesting period (3 years for the initial award but 4 years thereafter). The Company proposes to make an initial award of performance rights under the LTIP to Mr Harding on or around the Commencement Date (with no change to the performance hurdles) which will be subject to shareholder approval at the Company's 2017 Annual General Meeting.</p>
Leave entitlements	Mr Harding is entitled to statutory leave entitlements.
Confidential information and IP	Mr Harding's employment agreement contains customary provisions for the protection of the Company's confidential information and intellectual property.
Termination provisions	The Company may terminate Mr Harding's employment without cause by providing 12 months' notice of termination (or payment in lieu of the required notice period). The Company may also terminate Mr Harding's employment immediately without notice 'for cause' for particular conduct (for example – serious misconduct, he is convicted of an offence involving

Key Terms	Details
	<p>fraud or dishonesty, he is seriously negligent in the performance of his duties and other specified grounds).</p> <p>Mr Harding may resign from his employment by providing 6 months' notice of termination.</p> <p>Mr Harding's employment may be terminated for special circumstances including death or disability or for 'good reason' by Mr Harding upon certain events (material adverse change to his role, material breach by the Company, insolvency or de-listing of the Company) in which case Mr Harding will be entitled to a payment of 12 months' TFR.</p> <p>Upon termination the Company may, at the Board's discretion, determine that Mr Harding's unvested rights under the LTIP will not lapse but will either (i) be retained by Mr Harding under the LTIP until the rights either vest or lapse in accordance with their terms including applicable performance conditions; or (ii) vest on a pro-rata basis, on the basis of the Company's performance during the period from the grant of the award to the termination of employment date. The Company has agreed to exercise this discretion in favour of Mr Harding where his employment terminates for 'good reason'. The Company does not propose to exercise this discretion in the case of Mr Harding's resignation or termination for cause in which case unvested rights will lapse in accordance with their terms.</p>
<p>Post-employment restraints</p>	<p>Mr Harding must not engage in, or provide services to, any competing business for a period of 12 months after ceasing employment (less any period of garden leave he is directed to serve in the event that the Company terminates his employment with notice). Further, Mr Harding must not, for a period of 12 months after ceasing employment (less any period of garden leave he is directed to serve in the event that the Company terminates his employment with notice):</p> <ul style="list-style-type: none"> (i) solicit business from any person who was a customer, client, potential client, or supplier of the Company; or (ii) counsel or procure that any employee, consultant, director, or manager cease providing services to the Company.

