

9 January 2019

Market Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Announcement Number 357

Via: ASX Online

Number of Pages: 3 (including this page)

ASX Code: 1AG

Dear Sir or Madam

New Managing Director appointed to drive Alterra's agribusiness expansion

Alterra Limited (ASX: 1AG) (**Alterra** or **Company**) is pleased to advise that experienced agricultural executive Mr Oliver Barnes will join the Board of Alterra as an Executive Director effective 11 January 2019 and will be appointed as Managing Director upon completion of a notification period which will be no later than 2 April 2019.

Mr Andrew McBain will remain Managing Director until Mr Barnes assumes the MD's role and will then remain an Executive Director and part of the executive team.

Mr Barnes brings extensive experience in greenfield project development and institutional agricultural investment that will enhance the capabilities of the existing executive team as the Company advances its agribusiness growth strategy.

From March 2015, Mr Barnes was Chief Operating Officer of the privately-owned WA Sandalwood Plantations where his responsibilities included managing relationships with key institutional asset owners; implementing enterprise resource planning systems and driving productivity gains across 13,000 hectares of sandalwood located in the Central Wheatbelt of Western Australia.

Mr Barnes was also part of the team that established Dutjahn Sandalwood Oils, a 50% indigenous owned sandalwood oil distillation business that is now a leading supplier of sandalwood oils to the fine fragrance industry.

On immigrating to Australia in 2013, Mr Barnes became Commercial Manager of ASX and TSX listed Avenir Ltd (formerly Minemakers Ltd) and was part of the commercial team that oversaw its restructure.

Mr Barnes is a fifth-generation agriculturalist whose great grandfather, Sir Arthur Linfield, developed one of Europe's largest horticultural businesses. The Linfield family sold the business to multinational Rank Hovis McDougall (now Premier Foods Plc) in the 1980's, having held the business for over 100 years. He grew up in the horticultural hub of Kenya (Naivasha) before graduating from Imperial College, University of London in 2002 with a Bachelor of Science in Agricultural Business Management.

Between 2008 and 2013 he was based in the Middle East where he advised a number of family offices on agricultural investment in emerging markets, set up Miro Forestry one of West Africa's largest plantation forestry businesses and facilitated over US\$70m of investment into the African agricultural sector.

Mr Barnes holds a balanced skillset of commercial, technical and financial expertise accumulated from a wide range of agricultural development initiatives executed in Australia, Sub-Saharan Africa and Eastern Europe.

Alterra Chairman Mr Trevor Stoney said: “Oliver’s skillset and experience in developing high value, institutional grade agricultural assets will be invaluable as the Company seeks to capitalise on the opportunities it continues to advance.

He is well versed in realising value from agricultural development opportunities, understands the WA agricultural industry and has extensive experience in improving agribusiness management.

Post the demerger of Carbon Conscious Investments Ltd, the Company is well positioned with a robust balance sheet and ongoing cashflow from the management of the demerged carbon business.

The appointment of Mr Barnes to this key leadership role is a continuation of the strategic evolution of the Company”.

Material terms of Mr Barnes’ Executive Services Agreement – Managing Director:

The material terms of Mr Barnes’ Executive Services Agreement, including remuneration, are set out below.

- **Base Salary:** \$230,000 per annum
- **Salary Review Period:** 1 January to 31 March annually.
- **Short Term Incentive Plan:** up to 25% of Base Salary per annum based on Board approved KPIs (KPIs to be determined).
- **Long Term Incentive Plan:** participation in the ESOP.
- **Term:** The appointment is permanent open-ended.
- **Termination:** Either party may terminate Mr Barnes's appointment on 6 months' notice. The Company may terminate immediately on payment in lieu of required notice, or in circumstances of breach of contract or misconduct.

Retirement of Mr Neil McBain

Non-Executive Director Mr Neil McBain will resign from the Board effective 11 January 2019.

In 2012 when the Company was carrying significant debt and facing a major working capital shortfall, Mr McBain provided an unsecured \$2 million line of funding which provided the Company's management sufficient time to put in place various cost control measures including a plan to fully repay its bank debt and other liabilities. Without Mr McBain's contribution and provision of funding, the Company would have likely been forced to pursue a capital raising, which would have caused a significant dilution of equity for existing shareholders.

Mr McBain became a Director in April 2014 when the Company still faced considerable challenges and Alterra Chairman Mr Trevor Stoney said: “Neil’s support of the Company both professionally and financially was crucial to the strong position the Company is in today. His business acumen and experience will be missed, and I thank Neil for his unwavering support and wish him well as he retires from public life”.

Ongoing Strengthening of the Board

The Company recognises that best business practise is to have a Board with a majority of non-executive directors. To support its agribusiness expansion plans, the Board intends to make a further non-executive appointment of a person with the appropriate competencies in due course.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'AMcBain', written in a cursive style.

Andrew McBain
Managing Director