

ASX ANNOUNCEMENT

30 September 2013

Executive Remuneration

Chris Mackay, Managing Director and Portfolio Manager

Magellan Flagship Fund Limited ('MFF') today announced that Mr Chris Mackay commences as Managing Director and Portfolio Manager with effect from 1 October 2013. Mr Mackay was previously engaged by Magellan Asset Management Limited as portfolio manager to MFF.

Mr Mackay's remuneration comprises a fixed salary of \$1million per annum, inclusive of statutory superannuation contributions, with no short or long term incentive payment plan. Mr Mackay's remuneration will be subject to review annually by the Board.

The executive employment agreement provides for a written notice period of six (6) months by either party. The agreement also contains a post employment restraint period of six (6) months.



Leo Quintana
Legal Counsel & Company Secretary

30 September 2013

Key provisions of Executive Employment Agreement between Magellan Flagship Fund Limited and Mr Chris Mackay

Item	Description
Term	Commencing 1 October 2013 and to continue indefinitely unless terminated in accordance with the termination provisions of the agreement.
Remuneration	<p>Fixed Remuneration</p> <p>\$1,000,000 per annum (inclusive of statutory superannuation contributions), which is subject to annual review.</p> <p>Incentive Payments</p> <p>Mr Mackay is not eligible to participate in any short term or long term incentive payment plan.</p> <p>Should Mr Mackay's employment cease by reason of the retirement, death, total and permanent disability, ill health or the genuine redundancy of the Executive, the Board may at its sole discretion, pay the equivalent amount of the total remuneration package that would have been paid.</p>
Competitive Restraints	<p>Mr Mackay, for a period of six (6) months, may not approach, solicit or induce (or attempt to do any of these things) the business of any person or entity who, during the 12 months prior, was a client of the Magellan Flagship Fund Limited or of any Related Body Corporate and who Mr Mackay had personal contact or dealings with, other than any client or entity directly introduced to Magellan Flagship Fund Limited as a result of Mr Mackay joining the Company.</p> <p>Mr Mackay, for a period of six (6) months, may not solicit, canvass, induce or encourage (or attempt to do any of these things) any employee or agent of Magellan Flagship Fund Limited or of any Related Body Corporate to terminate their contracts of employment or agency with Magellan Flagship Fund Limited or with any Related Body Corporate.</p> <p>Mr Mackay, for a period of six (6) months, may not interfere or seek to interfere with the relationship between Magellan Flagship Fund Limited, any Related Body Corporate or any clients and employees of Magellan Flagship Fund Limited or of any Related Body Corporate.</p>
Termination	<p>Termination without cause: Magellan Flagship Fund Limited may terminate the executive employment agreement at any time by providing Mr Mackay with not less than six (6) months written notice or providing the Executive with payment in lieu that notice. Mr Mackay may terminate the executive employment agreement by providing Magellan Flagship Fund Limited with not less than six (6) months written notice.</p> <p>Termination with cause – Magellan Flagship Fund Limited may immediately terminate the Agreement with cause.</p>