



17 September 2019

## Contact Board appoints Mike Fuge as next CEO

Contact Energy (Contact) is pleased to announce the conclusion of its search for a new CEO with the appointment of Mike Fuge. The appointment follows Dennis Barnes, Contact's CEO, confirming to the Board in June that 2019 would be his last full year as Contact's CEO.

Contact Chair, Rob McDonald said "The Board of Directors have appointed Mike Fuge as Contact's new CEO. Mike is currently CEO of Refining NZ prior to which he has a long history in the energy sector, both in New Zealand and internationally. Before returning to NZ to the Refining NZ role Mike was the Chief Executive of Pacific Hydro in Melbourne, Australia – a global renewable energy owner, operator and developer. He has previously held positions as the Chief Operating Officer at Genesis Energy and has also worked for Royal Dutch Shell Group internationally."

Rob McDonald said that "The Board are pleased to have appointed a CEO with strong energy sector experience and capability to lead Contact's strategy."

The Board are yet to finalise a date for Mike to take up his new role, but it is expected to be no later than 16 March 2020.

Rob McDonald, Contact's Chair thanked Dennis Barnes for his leadership and commitment to an orderly CEO transition and reiterated the comments he made on announcing the commencement of the CEO search process: "In his more than eight years as the CEO of Contact, Dennis Barnes has worked passionately to make Contact the high performing organisation it is today."

Mike is currently the Chief Executive of Refining NZ, a NZ listed issuer where he has led a turnaround in safety performance and a fundamental revision of the corporate strategy in the context of the carbon neutral ambitions of New Zealand. Prior to this role he was the Chief Executive of Pacific Hydro based in Melbourne, Australia. Pacific Hydro is a global renewable energy owner, operator and developer which has over 1 gigawatt of renewable projects in operation or construction.

Details of the Chief Executive Officer Remuneration are in the attached Appendix.

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## Appendix: Details of Chief Executive Officer Remuneration

Mike Fuge's remuneration package as Chief Executive Officer of Contact reflects the complexity of the role and the wide-ranging skills needed to do it well. The Board have considered market remuneration data benchmarks; have linked remuneration to the achievement of performance goals; and aligned it with the creation of sustainable shareholder value in the long term. The total annual remuneration includes a fixed remuneration component comprising cash salary of \$1,150,000 (which includes any allowances) (**Base Salary**), short-term incentives (cash and equity awarded through deferred share rights) and long-term incentives (equity awarded through performance share rights) described below. The Chief Executive Officer has a six month notice period.

### Pay for performance remuneration breakdown:

Scheme	Description	Performance measure
<b>Cash STI</b>	Cash STI is a discretionary scheme based on achievement of KPI's. <i>Maximum potential set at 50% of Base Salary.</i>	Payment of this STI is dependent upon the CEO meeting KPIs (with both Company performance and individual performance measures) set by the Board at the beginning of each financial year.
<b>Equity STI</b> (awarded as deferred rights)	Equity STI allows the CEO to acquire shares at a \$0 exercise price subject to the time-bound exercise hurdle being achieved. <i>Maximum potential set at 30% of Base Salary.</i>	The exercise hurdle to receive Deferred Share Rights is to remain employed by Contact 2 years from the grant date.
<b>Equity LTI</b> (awarded as performance share rights)	Equity LTI allows the CEO to acquire shares at the specified exercise price subject to the exercise hurdle being achieved. <i>Set at 35% of Base Salary.</i>	The exercise hurdle to receive Performance Share Rights is Contact's relative total shareholder return (TSR) ranking within an energy industry peer group of other New Zealand NZX50 listed utilities companies. Tested once, at year 3.