



**National Tyre & Wheel Limited**  
**ACN 095 843 020**

**Notice of Annual General Meeting  
and Explanatory Memorandum**

**Annual General Meeting to be held at  
National Tyre & Wheel Limited  
30 Gow Street, Moorooka QLD 4105  
on Thursday 15 November 2018  
commencing at 11.00 am (Brisbane time)**

The Notice of Annual General Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional advisor prior to voting.



**National Tyre & Wheel Limited**  
PH: (07) 3255 6595 | FAX: 07 3392 7318  
30 Gow Street, Moorooka QLD 4105  
PO Box 101, Moorooka QLD 4105  
ABN 97 095 843 020

Dear Shareholder

On behalf of the Directors of National Tyre & Wheel Limited (**NTAW**), I am pleased to invite you to attend the 2018 Annual General Meeting (**AGM**) of NTAW, its first since listing on the ASX in December 2017.

NTAW's 2018 AGM will be held on Thursday, 15 November 2018 commencing at 11.00 am (Brisbane time) at NTAW's head office which is located at 30 Gow Street, Moorooka QLD 4105. Registration will be available from 10.00 am.

The Notice of Meeting setting out the business of the AGM is enclosed, together with a voting/Proxy Form. This form contains a barcode to assist with the registration process at the AGM. If you attend the AGM, please bring the barcoded form with you. If you are not attending the AGM, the form allows you to appoint a proxy to vote on your behalf. Please refer to the Notes to the Notice of Meeting and the voting/Proxy Form for more information.

Shareholders may direct questions during the meeting to the Chairman of the meeting about the operations and management of NTAW or to NTAW's auditor about the content of the auditor's report and the conduct of the audit. Questions can also be submitted in writing until 11.00 am on Tuesday 13 November 2018 in the manner set out in the Notes to the Notice of Meeting.

Thank you for your continued support of NTAW and I look forward to your attendance and the opportunity to meet with you.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Murray Boyte", with a stylized flourish at the end.

Murray Boyte  
Chairman

## Notice of Annual General Meeting

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Notice is given that the Annual General Meeting of National Tyre & Wheel Limited ACN 095 843 020 (**Company**) will be held at National Tyre & Wheel Limited, 30 Gow Street, Moorooka Qld 4105 on Thursday 15 November 2018 commencing at 11.00 am (Brisbane time).

### ITEMS OF BUSINESS

#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Company's Financial Report, incorporating the Directors' Report and the Independent Audit Report, for the financial year ended 30 June 2018.

Note: There is no requirement for Shareholders to approve these reports.

#### 2. REMUNERATION REPORT

To consider and, if thought fit, pass the following as an ordinary resolution in accordance with section 250R(2) of the Corporations Act:

*"That the Remuneration Report (which forms part of the Directors' Report) of the Company for the year ended 30 June 2018 be adopted."*

Note: This Resolution is advisory only and does not bind the Company. The directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting, when reviewing the Company's remuneration policies. A voting exclusion statement applies to the Resolution for Item 2. Further details of this exclusion are set out in the accompanying Notes.

#### 3. ELECTION OF MURRAY BOYTE AS A DIRECTOR

To consider and, if thought fit, pass the following as an ordinary resolution:

*"That Mr Murray Boyte who retires as a Director of the Company in accordance with ASX Listing Rule 14.4 and rule 8.1(e) of the Company's constitution, and being eligible, be elected as a Director of the Company."*

Note: Information about the candidate appears in the accompanying Explanatory Memorandum.

#### 4. RATIFICATION OF ISSUE OF SHARES

To consider and, if thought fit, pass the following as an ordinary resolution:

*"That for the purposes of Listing Rule 7.4, Shareholders ratify and approve the issue of 1,209,016 fully paid ordinary shares in the Company issued at \$1.22 per share, in relation to the acquisition of Statewide Tyre Distribution Pty Ltd, to those persons set out in the Explanatory Memorandum."*

Note: A voting exclusion statement applies to the Resolution for Item 4. Further details of this exclusion are set out in the accompanying Notes.

## Notice of Annual General Meeting

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### 5. ADDITIONAL CAPACITY TO ISSUE EQUITY SECURITIES

To consider and, if thought fit, to pass the following as a special resolution:

*“That pursuant to, and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve an additional 10% placement capacity to issue equity securities under Listing Rule 7.1A on the terms set out in the Explanatory Memorandum.”*

Note: A voting exclusion statement applies to the Resolution for Item 5. Further details of this exclusion are set out in the accompanying Notes.

### 6. GRANT OF OPTIONS TO PETER LUDEMANN UNDER THE EMPLOYEE SHARE OPTION PLAN

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That approval be given in accordance with ASX Listing Rule 10.14, section 200E of the Corporations Act and for all other purposes for the grant of 180,000 options under the Company’s Employee Share Option Plan to the CEO and Managing Director, Peter Ludemann, as described in the Explanatory Memorandum.”*

Note: A voting exclusion statement applies to the Resolution for Item 6. Further details of this exclusion are set out in the accompanying Notes.

### 7. PROVISION OF FINANCIAL ASSISTANCE

To consider and, if thought fit, to pass the following as a special resolution:

*“That, pursuant to and in accordance with section 260B(2) of the Corporations Act and for all other purposes, approval is given for financial assistance to be provided from time to time (including upon any subsequent refinancing, variation or replacement of any facility, or the provision of further security in connection with any facility) by Statewide Tyre Distribution Pty Ltd ACN 008 181 904 (Statewide) in connection with the acquisition of all of the issued shares in Statewide by the Company as described in the Explanatory Memorandum.”*

By order of the Board of Directors



Laura Fanning  
Company Secretary  
12 October 2018

## Notes

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These Notes and the accompanying Explanatory Memorandum form part of this Notice of Meeting. Capitalised terms are defined in the Glossary at the end of the Explanatory Memorandum.

### 1. SHAREHOLDERS

The Company has determined that for the purpose of voting at the Meeting, shares in the Company will be taken to be held by those persons recorded on the Company's register of shareholders at 7:00 pm on 13 November 2018 (Sydney time). This means that any Shareholder registered at 7:00 pm (Sydney time) on 13 November 2018 is entitled to attend and vote at the Annual General Meeting.

### 2. HOW TO VOTE

#### Appointment of Proxy

If you are a Shareholder, and you are unable to attend and vote at the Meeting, and wish to appoint a proxy, you can do so:

Online: Visit [www.investorvote.com.au](http://www.investorvote.com.au) and quote the 6 digit control number found on the front of your proxy form.

Subscribers of Intermediary Online (i.e. custodians) can lodge a proxy online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com).

Alternatively, please complete and sign the Proxy Form enclosed with this Notice of Meeting and return the Proxy Form either:

By mail: Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne Vic 3001

By fax: 1800 783 447 (within Australia) or  
+61 3 9473 2555 (outside Australia)

so that it is received not later than 11:00 am (Brisbane time) on 13 November 2018. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Shareholders are advised that:

- each Shareholder that is entitled to attend and vote at the Meeting is entitled to appoint a proxy.
- the proxy need not be a Shareholder of the Company.

- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Please write the name of the person you wish to appoint as your proxy in the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be your proxy.

#### Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

#### Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with section 127 of the Corporations Act. The certificate of appointment must be lodged with the Company before the Meeting.

#### Votes on Resolutions

You may direct your proxy how to vote by marking 'For', 'Against' or 'Abstain' for the Resolutions set out in each item of business on the Proxy Form. All of your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on each Resolution by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution, your vote on will be invalid on that item of business.

### ***How the Chairman will vote undirected proxies***

At the date of this Notice of Meeting, the Chairman intends to vote all undirected proxies FOR the Resolutions set out in each of the items of business.

Unless amended, the Proxy Form expressly authorises the Chairman to exercise undirected proxies in his discretion in relation to all Resolutions even where such Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel (also referred to in this Notice as the KMP), which includes the Chairman.

### ***Attending the meeting in person***

Eligible Shareholders may attend the Meeting and vote in person. If you intend to attend the Meeting in person, you do not need to submit a Proxy Form.

You may still attend the Meeting and vote in person even if you have appointed a proxy. You will be provided with a poll voting card on the day of the Meeting. If you have previously submitted a Proxy Form, your attendance will suspend your proxy appointment while you are present at the Meeting.

### **3. NON-BINDING RESOLUTION ON REMUNERATION REPORT**

The Resolution for Item 2 is advisory and non-binding. The outcome of this Resolution does not bind the Company or the Directors. However, the Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

If 25% or more of the votes that are cast are voted against adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (spill resolution) that another meeting of the Company's shareholders be held within 90 days at which all of the Company's Directors (other than the Managing Director) who were Directors of the Company when the Directors' Report for the second AGM was approved by those Directors, must stand for re-election.

A voting exclusion statement in respect of the Resolution for Item 2 is set out below.

### **4. VOTING EXCLUSION STATEMENTS**

#### **Item 2: Remuneration Report**

A vote on the Resolution for Item 2 must not be cast (as a Shareholder, proxy or in any other capacity) by or on behalf of any of the following persons:

- 1) a member of the KMP details of whose remuneration is included in the Remuneration Report for the financial year ended 30 June 2018; or
- 2) a Closely Related Party of such a member of the KMP.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- 1) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- 2) the person appointed as proxy is the Chairman and the written appointment of the Chairman does not specify the way the Chairman is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

#### **Item 4: Ratification of Issue of Shares**

The Company will disregard any votes cast in favour of the Resolution for Item 4 by or on behalf of the following persons:

- 1) any person who participated in the issue covered by the Resolution; or
- 2) any Associate of those persons.

However, the Company need not disregard a vote if:

- 1) it is cast by a person as proxy for a person who is entitled to vote on the Resolution, in accordance with the directions on the proxy form; or
- 2) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote on the Resolution, in accordance with a direction on the proxy form to vote as the proxy decides.

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### **Item 5: Additional capacity to issue shares under Listing Rule 7.1A**

The Company will disregard any votes cast in favour of the Resolution for Item 5 by or on behalf of the following persons:

- 1) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely by reason of being a holder of ordinary securities; or
- 2) an Associate of that person.

Note: under Listing Rule 14.11.1 and the notes under that rule about Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

However, the Company need not disregard a vote if:

- 1) it is cast by a person as proxy for a person who is entitled to vote on the relevant Resolution, in accordance with the directions on the proxy form; or
- 2) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote on the relevant Resolution, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Item 6: Grant of options to Peter Ludemann**

The Company will disregard any votes cast in favour of the Resolution for Item 6 by or on behalf of the following persons:

- 1) Peter Ludemann (being the only director of the Company who is currently eligible to participate in the Plan); or
- 2) any Associate of Peter Ludemann.

However, the Company need not disregard a vote if:

- 1) it is cast by a person as proxy for a person who is entitled to vote on the relevant Resolution, in accordance with the directions on the proxy form; or
- 2) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote on the relevant Resolution, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a vote on the Resolution for Item 6 must not be cast by a person appointed as a proxy, where that person is either a member of the KMP or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- 1) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- 2) the person appointed as proxy is the Chairman and the written appointment of the Chairman does not specify the way the Chairman is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

### **5. QUESTIONS AND COMMENTS BY SHAREHOLDERS AT OR BEFORE THE MEETING**

In accordance with the Corporations Act, a reasonable opportunity will be provided for the Shareholders at the Meeting to ask questions and to make comments on Company matters that are the subject of the Meeting. Shareholders may direct questions during the Meeting to the Chairman about the operations and management of the Company or to the Company's auditor about the content of the auditor's report and the conduct of the audit.

Questions can be emailed to [cosec@ntaw.com.au](mailto:cosec@ntaw.com.au) so that they are received no later than 11.00 am (Brisbane time) on 13 November 2018.

## Explanatory Memorandum

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**This Explanatory Memorandum and the other attachments to the Notice of Annual General Meeting (Notice) which it accompanies are important documents. Please read them carefully.**

### ITEM 1 – FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires that the report of the Directors, the report of the Auditors and the financial reports be presented to the Annual General Meeting. In addition, the Company's Constitution provides for such reports and statements to be received and considered at the Meeting.

### ITEM 2 – REMUNERATION REPORT

The Corporations Act requires that the section of the Directors' Report dealing with the remuneration of the Directors and other Key Management Personnel (**Remuneration Report**) be put to the members for adoption by way of a non-binding vote.

The Remuneration Report can be found in the Company's 2018 Annual Report.

Following consideration of the Remuneration Report, the Chairman will give shareholders a reasonable opportunity to ask questions about or make comments upon, the Remuneration Report.

The Board unanimously recommends that Shareholders vote in favour of the Resolution for Item 2.

### ITEM 3 – ELECTION OF MURRAY BOYTE AS A DIRECTOR

The ASX Listing Rules and the Company's Constitution prescribe a process by which Directors regularly retire from office. Retiring Directors may offer themselves for election or re-election.

Pursuant to Listing Rule 14.4 and Clause 8.1(e) of the constitution of the Company, Mr Murray Boyte, having been appointed by the Directors as an addition to the existing directors, retires at the conclusion of the Meeting, and being eligible, offers himself for election as a Director of the Company.

A summary of Mr Boyte's qualifications and experience appears below:

Mr Boyte has a Bachelor of Commerce and Administration from Victoria University, Wellington, New Zealand. He is a member of the Institute of Directors New Zealand, the Australian Institute of Company Directors and Chartered Accountants Australia and New Zealand.

Mr Boyte has over 35 years' experience in merchant banking and finance, undertaking company reconstructions, mergers and acquisitions in Australia, New Zealand, North America and Hong Kong. In addition, Mr Boyte has held executive positions and Directorships in the transport, horticultural, financial services, investment, property and health service industries. He was Chief Executive Officer of ASX listed Ariadne Australia Limited from 2002 to 2015.

Mr Boyte currently serves as a director of ASX listed Eureka Group Holdings Limited and NZX listed Abano Healthcare Group Limited, as well as Ariadne Marinas Oceania Pty Ltd, Ariadne Capital Limited, Unity Pacific Funds Management Limited.

Mr Boyte is a member of the Company's Audit and Risk Committee and Remuneration and Nominations Committee.

The Board (other than Mr Boyte in relation to his own election) unanimously recommends that the Shareholders vote in favour of the Resolution for Item 3.



## Explanatory Memorandum

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### ITEM 4 – RATIFICATION OF ISSUE OF SHARES

The purpose of the Resolution in Item 4 is for Shareholders to approve, pursuant to Listing Rule 7.4 and for all other purposes, the issue of certain Shares by the Company (**Issue**). Details of the Issue are set out later in this Item.

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities, if the securities will, when aggregated with the securities issued by a company during the last 12 months, exceed 15% of the number of shares on issue at the commencement of that 12-month period.

One exception is where the issue of the securities was made with the approval of the holders of ordinary securities under Listing Rule 7.1 or 7.4.

Listing Rule 7.4 provides that an issue of shares made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 where:

- (a) the issue did not breach Listing Rule 7.1; and
- (b) the members subsequently approve it.

The Issue has already taken place, within the 15% limit prescribed by Listing Rule 7.1.

The approval sought for the Resolution in Item 4, under Listing Rule 7.4, is effectively a retrospective approval or 'ratification' to refresh the Company's capacity to issue further Shares pursuant to Listing Rule 7.1, should there be a requirement to do so.

If Shareholders approve the Resolution in Item 4, the Company will have the flexibility to issue more Shares in the next 12 months without a requirement for Shareholder approval, if an opportunity arises which the Directors believe is in the best interests of the Company, and which they expect will create shareholder value.

If Shareholders approve the Resolution in Item 4, the Issue will cease to use up part of the Company's 15% limit and would enable that proportion of the 15% limit to be used for a future issue of Shares, without a requirement for Shareholder approval.

If Shareholders do not approve the Resolution in Item 4, it will not invalidate the Issue as listed below.

The information required to be provided to Shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5.

## Explanatory Memorandum

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In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the Issue:

Particular	Details
Number of securities	655,737 ordinary shares issued on 31 May 2018 and 553,279 ordinary shares issued on 18 June 2018.
Issue price of securities	The shares were issued as part consideration for the acquisition of Statewide Tyre Distribution Pty Ltd ( <b>Statewide</b> ), with an agreed issue price of \$1.22 <sup>1</sup> .
Terms of securities issued	<p>Shares rank equally with all shares on issue, except as detailed below.</p> <p>The holder of the 553,279 shares issued on 18 June 2018 has entered into a voluntary restriction deed with the Company under which the shares will be restricted so that one third of the shares will be released from trading restrictions on each 31 May (the anniversary of National Tyre &amp; Wheel Limited's acquisition of 100% of the issued capital in Statewide ) until 2021.</p> <p>The terms of issue of the shares also provide that the shares that remain subject to the restrictions will also be subject to forfeiture for no consideration if:</p> <ol style="list-style-type: none"><li>1) the holder of the shares ceases to be an employee of Statewide; unless</li><li>2) the recipient's employment is terminated by Statewide without cause, unlawfully, or due to his redundancy, death or incapacity.</li></ol>
Names of the persons to whom securities were issued or the basis on which those persons were determined	John William Weeks - 655,737 shares Trevor John Wren – 553,279 shares, being the vendors of Statewide.
Use of funds raised	No funds were raised from the issue.

<sup>1</sup> Shares were issued at a volume weighted average price of NTAW shares traded on the ASX over the period of 90 days prior to completion of the acquisition.

The Board unanimously recommends that Shareholders vote in favour of the Resolution in Item 4.

### ITEM 5 – ADDITIONAL CAPACITY TO ISSUE EQUITY SECURITIES

ASX Listing Rule 7.1A enables small to mid-cap listed companies to seek Shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placement over a 12 month period (**10% Placement Facility**), without a need for further Shareholder approval. This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

A company is eligible to seek Shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the AGM:

- (a) it has a market capitalisation of \$300 million or less; and
- (b) it is not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the AGM.

## Explanatory Memorandum

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Accordingly, Item 5 is seeking Shareholder approval by special resolution for the issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine, on the terms as described in this Explanatory Memorandum.

At the date of the Meeting, it is anticipated that the Company will have on issue 102,653,952 Shares and, subject to approval of the Resolution in Item 4, a capacity to issue 15,398,092 Shares under ASX Listing Rule 7.1 and, if the Resolution in Item 5 is approved, a capacity to issue an additional 10,265,395 Shares under ASX Listing Rule 7.1A.

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

The effect of Item 5 will be to allow the Directors to issue equity securities under ASX Listing Rule 7.1A, in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1, from the date of the AGM at which approval of the 10% Placement Facility under ASX Listing Rule 7.1A is obtained until the earlier to occur of:

- (a) the date that is 12 months after the date of the AGM i.e. 15 November 2019; or
- (b) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

### Information required by ASX Listing Rule 7.3A

For the purposes of ASX Listing Rule 7.3A, the following information is provided:

- The minimum price at which the equity securities will be issued will be no less than 75% of the volume weighted average market price for ordinary shares calculated over the 15 trading days on which trades are recorded immediately before:
  - (a) the date on which the price at which the shares are to be issued is agreed; or
  - (b) if the shares are not issued within 5 trading days of the date in paragraph (a), the date on which the shares are issued.
- If the Resolution in Item 5 is approved by Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing ordinary Shareholders face the risk of economic and voting dilution as a result of the issue of equity securities which are the subject of this Resolution, to the extent that such equity securities are issued, including:
  - (a) the market price of equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
  - (b) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date,

which may also have an effect on the amount of funds raised by the issue of the equity securities.

- The following table gives examples of the potential dilution of existing ordinary Shareholders on the basis of the market price of Shares at 28 September 2018 and the number of ordinary securities for variable "A", calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice (and on the assumption that the Resolutions being considered at the Meeting are approved).

## Explanatory Memorandum

The table also shows:

- (a) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

	Dilution				
	Additional shares issued	Voting Dilution	Funds raised		
Variable "A" in Listing Rule 7.1A.2			<b>\$0.59</b> <b>50% decrease in Issue Price</b>	<b>\$1.17<sup>1</sup></b> <b>Issue Price</b>	<b>\$2.34</b> <b>100% increase in Issue Price</b>
102,653,952 (current)	10,265,395	10%	\$6,056,583	\$12,010,512	\$24,021,024
153,980,928 (50% increase)	15,398,092	10%	\$9,084,874	\$18,015,768	\$36,031,535
205,307,904 (100% increase)	20,530,790	10%	\$12,113,166	\$24,021,024	\$48,042,049

<sup>1</sup> Closing price on 28 September 2018 was \$1.17 per Share

- The table has been prepared on the following assumptions:
  - (a) the Resolution in Item 4 is approved;
  - (b) the Resolution in Item 5 is approved;
  - (c) the Company issues the maximum number of equity securities available under the 10% Placement Facility in ASX Listing Rule 7.1A;
  - (d) no options are exercised before the date of issue of Shares under ASX Listing Rule 7.1A;
  - (e) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
  - (f) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the AGM;
  - (g) the table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
  - (h) the issue of equity securities under the 10% Placement Facility consists only of Shares; and
  - (i) the current Share price is \$1.17 per Share, being the closing price of the Shares on ASX on 28 September 2018.
- If any of the Shares being approved by this Resolution are issued, they will be issued during the 10% Placement Period. The approval being sought under Item 5 will also cease to be valid if ordinary Shareholders approve a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) prior to 15 November 2019.
- The Company may seek to issue the equity securities for the following purposes:
  - (a) cash issue price. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued development of, or investment in, the Company's current assets, general working capital and/or other capital management purposes; or

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- (b) non-cash consideration such as for the acquisition of new assets and investments. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.
- The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities.
- The Company's allocation policy for issues under the 10% Placement Facility will be dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of allottees of any equity securities that may be issued (subject to Shareholder approval of the Resolution in Item 5) have not been determined as at the date of this Notice, but may include existing Shareholders and/ or parties who are not currently Shareholders and are not related parties or associates of the related parties of the Company. Any potential allottees will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
  - (a) the methods of raising funds available to the Company (including but not limited to, rights issue or other issues in which existing security holders can participate), while balancing interest from potential allottees with the interests of existing Shareholders;
  - (b) the effect of the issue of equity securities on the control of the Company. Allocation will be subject to takeover thresholds;
  - (c) the financial situation and solvency of the Company and its need for capital at any given time; and
  - (d) advice from corporate, financial and broking advisors (if applicable).
- A Voting Exclusion Statement in relation to the Resolution for Item 5 is set out under Note 4 in the Notice of Meeting. Potential allottees under the 10% Placement Facility (should it be approved) have not been identified as at the date of this Notice.
- The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

The Resolution for Item 5 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the Resolution must be in favour of the Resolution.

The Directors unanimously recommend Shareholders vote in favour of the Resolution for Item 5 as it will provide additional flexibility for the Company to secure additional capital quickly if Directors decide that it is in the best interests of the Company.

## Explanatory Memorandum

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### ITEM 6 – GRANT OF OPTIONS TO PETER LUDEMANN UNDER THE EMPLOYEE SHARE OPTION PLAN

The Resolution in Item 6 seeks Shareholder approval for the grant of 180,000 Options to the CEO and Managing Director, Peter Ludemann, under the Company's Employee Share Option Plan (**Plan**), subject to the terms and conditions of his 2019 LTI Award (**the Options**).

#### Background to CEO Remuneration

Peter Ludemann is the CEO and Managing Director of the Company.

As disclosed in the Company's 2018 Annual Report, the Company engaged Egan and Associates (remuneration consultants) to review its existing STI and LTI programs and provide recommendations on how to improve these as part of a new executive remuneration framework, commencing from the 2019 financial year.

The Board has adopted a new executive remuneration framework, which for Mr Ludemann now comprises:

- Total Fixed Remuneration (**TFR**) consisting of base salary, superannuation and other benefits;
- A short term incentive (**STI**) with a maximum opportunity of 50% of TFR (at maximum performance levels); and
- A long term incentive (**LTI**) in the form of options which will be issued under the Plan and will be subject to performance conditions as determined by the Board to support the long-term growth of the Company. The number of options to be awarded will be determined by the Board having regard to the overall amount of executive remuneration and the annual profit impact of the options awarded.

The Plan was adopted by the Company on 6 November 2017 and a summary of its terms were set out in the Company's prospectus dated 24 November 2017.

Prior to the Company's listing on the ASX, the Company had a Senior Executive Option Plan (**SEOP**) pursuant to which Mr Ludemann was awarded options which vested and were exercised. This SEOP has been discontinued following the Company's listing.

The Board has determined that, for the year ending 30 June 2019, up to 2,000,000 Options (in total) will be issued to senior executives, including the 180,000 Options to be issued to Mr Ludemann. The remaining Options will be allocated to other senior executives based on their roles and responsibilities.

#### Conditions and Important Dates for the Options

The Vesting Date of the Options will be 30 September 2021, or three years from the Grant Date, whichever is earlier, subject to meeting the Performance Conditions. The Performance Period for the Performance Conditions is the period from the Grant Date until the Vesting Date (inclusive of each of those dates).

The Options will expire on 30 September 2023, being the date which is two years after the Vesting Date, if not lapsed earlier.

## Explanatory Memorandum

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### Performance Conditions

Vesting of the Options is dependent on, and subject to, satisfaction of the following Performance Conditions:

- i. Earnings per share condition – the Company's earnings per share (**EPS**) for the year ended 30 June 2019 is at least 10% higher than its EPS for the year ended 30 June 2018.

Calculation of the EPS growth rate will be based upon the EPS results reported in NTAW's audited financial statements for the above years.

However, the Board has determined that the Basic EPS of 5.25 cents recorded in the Company's 2018 audited financial statements is not an appropriate base to be used to calculate the EPS growth because it does not include full year trading results for subsidiaries that were acquired during the year and includes abnormally high transaction costs associated with the Company's first year since listing (including initial public offering costs and a share based payments expense).

The Board considers that NTAW's pro forma results for the year ended 30 June 2018, as reported in the 2018 Annual Report, and which have been adjusted for the above items, is a more appropriate base for determining the EPS growth for the purposes of the Options.

Accordingly, the Board has determined that the base EPS for the Options will be 11.5 cents per share. This is based upon the Company's 2018 pro forma NPATA attributable to NTAW shareholders of \$10.740 million, adjusted for the pro forma impact of the acquisition of Statewide Tyre Distribution Pty Ltd.

The EPS results to be used for the 2019 year will be the Basic EPS recorded in the Company's audited financial statements for that year. However, the Basic EPS may be adjusted for items which the Board, in its discretion, considers should be included in, or excluded from, this result.

- ii. Service condition – continuous employment of Mr Ludemann with the Company or one of its subsidiaries from the Grant Date until the Vesting Date.

If the Performance Conditions are not met before the end of the Performance Period, the Options will lapse. There will be no re-testing.

### Lapsing and early vesting of the Options

Change of Control Event: On a takeover or change in control of the Company any unvested Options will immediately vest and cease to be subject to any Performance Condition.

Termination of employment: If Mr Ludemann ceases employment before the Performance Conditions are satisfied the Options will automatically lapse 30 days after that employment ceases, unless the Board determines otherwise in accordance with the Plan. If Mr Ludemann ceases to be employed by the Company by reason of his death, disability, bona fide redundancy or other reason with the approval of the Board, the Board has a discretion to determine that some or all of the Options do not lapse but are deemed to have vested.

If Mr Ludemann's employment is terminated on the basis that Mr Ludemann has acted fraudulently, dishonestly, in breach of his obligations or otherwise for cause, all of the Options (including those which have not yet vested and those which have vested but are unexercised) will immediately lapse.

## Explanatory Memorandum

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### Valuation

The estimated value of the Options based on the following inputs is as follows:

Valuation Date	28 September 2018
Share Price (Valuation Date)	\$1.17
Exercise Price	\$1.1724
Risk free rate (%)	2.00%
Standard Deviation (%)	26%
Expected Life (days)	1,826
Dividend Rate	2.3%
Estimated Value per Option	\$0.2391
Estimated Total Gross Value*	\$43,038

\*Before adjustment to the fair value to allow for performance probabilities

Importantly, no value will be received by Mr Ludemann if the Options lapse prior to the vesting date, or if the market value of the Company's shares fails to exceed the Exercise Price.

The 'fair value' for accounting purposes will be determined at the grant date and the value will be expensed over the relevant service period after taking account of any market and non-market vesting conditions, in accordance with AASB 2 *Share Based Payments*.

### Other Information

- The Company will not apply to the ASX for official quotation of the Options granted under the Plan.
- Shares issued pursuant to the exercise of the Options will rank equally with Shares then on issue.
- There is no loan scheme in relation to the Options or the Plan.
- Any dealing in Shares is subject to the constraints of Australian insider trading laws and the Company's Share Trading Policy.
- Details of the Options granted to Mr Ludemann will be provided in the Remuneration Report for the years ended 30 June 2019, 2020, 2021 and 2022.

### Why Shareholder approval is being sought

Shareholder approval of the Resolution in Item 6 is being sought for the following purposes:

#### ASX Listing Rule 10.14

ASX Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without Shareholder approval given by ordinary resolution. The purpose of the Resolution in Item 6 is to obtain Shareholder approval for the grant of 180,000 Options to Mr Ludemann, pursuant to the Plan and the terms and conditions of Mr Ludemann's 2019 LTI Award.

For the purposes of ASX Listing Rule 10.15, the following information is provided:

- The maximum number of Options that may be granted to Mr Ludemann is 180,000.



## Explanatory Memorandum

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- The Options will be granted at no cost to Mr Ludemann. Once the Performance Conditions as set out above are met (or waived), the Options will be exercisable at the applicable Exercise Price. The Exercise Price for the Options is \$1.1724 calculated as the volume weighted average sale price of the Company's shares sold on ASX during the 5 trading days up to and including 20 September 2018, being after the release of the Company's 2018 financial statements and the Record Date for the 2018 final dividend.
- No persons referred to in ASX Listing Rule 10.14 have received Options under the Plan since the last approval.
- Under the Plan rules, Options may be granted to various employees, contractors and non-executive directors. However, the Board's current intention is that only senior executives and the Managing Director will be eligible to participate. Accordingly, currently Mr Ludemann is the only person referred to in ASX Listing Rule 10.14 entitled to participate in the Plan.
- A voting exclusion statement in relation to the Resolution for Item 6 is set out under Note 4 in the Notice of Meeting.
- No loan will be provided by the Company to Mr Ludemann in relation to the grant or exercise of the Options.
- The Options are expected to be granted to Mr Ludemann shortly after the AGM and in any event within 12 months after the AGM.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Options to Mr Ludemann as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the grant of the Options to Mr Ludemann will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

### **Part 2D.2 of the Corporations Act: Termination Benefits**

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders or an exemption applies. Further, under section 200C of the Corporations Act, a company may only give a person a benefit in connection with the transfer of the whole or any part of the undertaking or property of the company if it is approved by shareholders.

The term "benefit" in Part 2D.2 has wide operation and would include the accelerated vesting of Options.

Accordingly, Shareholder approval is sought under section 200E of the Corporations Act for the:

- giving of termination benefits to Mr Ludemann in accordance with the Plan or his employment contract if Mr Ludemann ceases to be employed by the Company and, as a result of the Board exercising its discretion, some or all of Mr Ludemann's Options vest; and
- giving of benefits to Mr Ludemann if Mr Ludemann's Options automatically vest as a result of a Change in Control Event being triggered due to the transfer of an undertaking or property of the Company.

As at the date of this Notice the estimated value of the Options to be issued to Mr Ludemann is \$43,038. However, the value of the benefits at the time they may be given cannot presently be ascertained. The matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- the number of Options held by Mr Ludemann prior to cessation of employment or at the time of the Change of Control Event; and
- the market price of Shares at that time.

## **Explanatory Memorandum**

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If Shareholder approval is obtained and the Options automatically vest as a result of a Change in Control Event or the Board exercises its discretion to vest some or all of Mr Ludemann's unvested Options, the value of the benefit will be disregarded when calculating his termination benefit 'cap' as permitted by the Corporations Act.

### **Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's shareholders in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

One of the exceptions where shareholder approval is not needed is where the financial benefit is (relevantly) remuneration to a related party as an officer or employee of the public company or an entity that the public company controls and to give the benefit would be reasonable given the circumstances of the public company or entity giving the remuneration and the related party's circumstances (including the responsibilities involved in the office of employment). This "reasonable remuneration" exception is contained in section 211 of the Corporations Act.

The grant of the Options to Mr Ludemann will constitute the giving of a financial benefit and Mr Ludemann is a related party of the Company by virtue of being a Director of the Company.

The Directors (other than Mr Ludemann who abstained from considering this matter due to his material personal interest in the matter) consider that the proposed grant of the Options to Mr Ludemann is reasonable remuneration which falls within the exception in section 211 of the Corporations Act and accordingly Shareholders' approval pursuant to Chapter 2E of the Corporations Act is not required.

### **ASX Listing Rules 10.18 and 10.19**

If shareholder approval is obtained under the Resolution in Item 6, the Company will still be required to comply with Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which certain termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

### **Directors' recommendation**

The Board, other than Mr Ludemann, consider the grant of the Options to Mr Ludemann to be appropriate in all circumstances and unanimously recommends that Shareholders vote in favour of the Resolution in Item 6 for the grant of the Options to Mr Ludemann.

## Explanatory Memorandum

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### ITEM 7 – PROVISION OF FINANCIAL ASSISTANCE

#### Introduction

This section of the Explanatory Memorandum has been prepared in connection with a Resolution proposed to be passed as a special resolution of the Company pursuant to section 260B of the Corporations Act to approve the giving by Statewide Tyre Distribution Pty Ltd ACN 008 181 904 (**Statewide**), a subsidiary of the Company, of financial assistance within the meaning of section 260A of the Corporations Act (**Financial Assistance Resolution**).

#### Financial assistance under the Corporations Act

##### *Restrictions on financial assistance*

Section 260A(1) of the Corporations Act provides that a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company only if:

- (a) giving the financial assistance does not materially prejudice:
  - (i) the interests of the company or its shareholders; or
  - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B; or
- (c) the assistance is exempted under section 260C.

In order for a company to be providing "financial assistance", the person alleged to have been assisted must have received "assistance" and the assistance must be of a "financial" nature. Assistance refers to the furnishing of something needed in order that a transaction can be carried out. Assistance of a financial nature does not necessarily involve a disposition of money or property. Examples of financial assistance include making a loan, issuing a debenture, giving security over the company's assets and giving a guarantee or indemnity in respect of another person's liability.

Under section 260A(2) of the Corporations Act, the financial assistance may be given before or after the acquisition of shares.

##### *Shareholder approval*

For a company to financially assist a person to acquire shares (or units of shares) in itself or a company of which it is a subsidiary, section 260B(1) of the Corporations Act states that the financial assistance must be approved by its shareholders by:

- (a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

If the company will be a subsidiary of a listed domestic corporation (**Listed Australian Holding Company**) immediately after the acquisition, then section 260B(2) requires that the financial assistance must also be approved by a special resolution passed at a general meeting of that Listed Australian Holding Company.

#### The acquisition of Statewide

##### *The acquisition*

On 31 May 2018, the Company completed the acquisition all of the issued capital of Statewide from Trevor John Wren and John William Weeks for \$8.875 million (subject to adjustment for working capital) (**Acquisition**). Completion of the Acquisition was announced to Shareholders by announcement to the ASX on 1 June 2018.

It is proposed that Statewide will give financial assistance to the Company in connection with the Acquisition, details of which are outlined in this Explanatory Memorandum.

## Explanatory Memorandum

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### *Resolutions required in connection with the financial assistance*

On 24 September 2018, the Company, as Statewide's sole shareholder, resolved to approve the giving of the financial assistance outlined in this Explanatory Memorandum in accordance with section 260B(1)(b) of the Corporations Act.

As, following the Acquisition, Statewide became a wholly owned subsidiary of the Company, which is a Listed Australian Holding Company, the financial assistance outlined in this Explanatory Memorandum must also be approved by a special resolution at a general meeting of the Company in accordance with section 260B(2) of the Corporations Act.

The purpose of this section of the Explanatory Memorandum is to explain in further detail the proposed Financial Assistance Resolution set out Item 7.

### **Details of the proposed financial assistance**

#### ***NTAW facility***

As part of the arrangements to acquire the shares in Statewide, the Company accepted a letter of offer from Commonwealth Bank of Australia (**CBA**) dated 28 May 2018 (**Facility**) pursuant to which its existing market rate loan limit was increased from \$6,880,000 to \$14,380,000. The Company utilised part of the additional funding provided under the Facility to fund the cash component of the consideration payable for the Acquisition and related costs.

#### ***Finance documents***

It was a condition of the Facility that the Company must by the date being no later than 30 days after the Company's next AGM (**Sunset Date**) have taken all action required by Part 2J.3 of the Corporations Act to cause Statewide, among others, to provide:

- (a) an unlimited guarantee to CBA in respect of amounts owing by the Company, including under the Facility (**Guarantee**); and
- (b) a supporting first ranking general security interest to CBA over all present and after acquired property (**General Security Interest**),

(together, the **Finance Documents**).

Under the Facility, the Company must ensure that all necessary approvals and lodgements are obtained and made pursuant to section 260B of the Corporations Act on or before the Sunset Date.

#### ***Guarantee***

Under the Guarantee, Statewide (among other things):

- (a) guarantees that the Company will pay CBA all amounts owing by the Company to CBA;
- (b) indemnifies CBA against any loss CBA suffers because the Company does not pay CBA in accordance with agreements, including the Facility; and
- (c) must not transfer, discount or otherwise dispose or give security over the whole or any part of its business which could have a material adverse effect, except in the ordinary course of its business.

## **Explanatory Memorandum**

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### ***General security interest***

Under the General Security Interest, Statewide grants a charge over all of Statewide's present and after acquired property to CBA as security for payment of all money that Statewide owes CBA now or in the future, including under the Guarantee. The General Security Interest includes comprehensive declarations, obligations, restrictions, events of default and waivers on behalf of Statewide customary for security documents of this nature.

### **Financial assistance resolutions**

#### ***Financial assistance approvals***

The Directors are of the view that entry into the Finance Documents by Statewide will constitute the provision by Statewide of financial assistance to the Company in connection with the Acquisition within the meaning of section 260A of the Corporations Act.

Pursuant to section 260B of the Corporations Act it is proposed that the giving of financial assistance by Statewide be approved by the Resolutions described above, including the Financial Assistance Resolution.

#### ***Reasons for the financial assistance***

The reason for the giving of the financial assistance described above is to enable the Company to comply with its obligations under the Facility and to ensure that the Facility remains available to the Company and its subsidiaries, including Statewide (**Group**) and to ensure no event of default under the Facility occurs.

If such obligations are not complied with an event of default under the Facility could occur which may result in an insufficiency of the funding needs of the Group to develop the growth opportunities available to the Group.

#### ***Effect of the financial assistance***

As the Company and its other subsidiaries are already liable for the amounts payable under the Facility, the giving of the financial assistance by Statewide is unlikely to have any adverse effect on the Company and its other subsidiaries.

The substantial effect of the financial assistance on Statewide is that it will have guaranteed all amounts payable under the Facility and have granted security for such obligations. The operations of Statewide will also be restricted by the customary obligations, restrictions and undertakings given by it under the Finance Documents.

The Directors do not currently believe that either the Company or Statewide (or any other subsidiary of the Company) is likely to default in their obligations under the Finance Documents or in respect of the Facility. Projected financial information of the Group prepared on the basis of what the directors believe to be reasonable assumptions show that the assets, profit and cash flows of the Group will be adequate to enable the Company to continue to meet its obligations under the Facility and pay its other creditors.

The Directors are committed to ensuring the success of the Group and believe that the Acquisition will be a profitable investment which will benefit the Company and Statewide.

## **Explanatory Memorandum**

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### ***Advantages to the Company of the proposed resolution***

The advantages to the Company of the proposed Resolution is that Statewide will be able to provide the guarantee, representations and warranties set out in the Finance Documents and give security which is a condition to the continuance of the Facilities and ensuring that the Company will not be in default of the Facility.

### ***Advantages to Statewide of the proposed resolution***

The advantages to Statewide of the proposed Resolution include:

- (a) the Facility will continue to be available which will be to the advantage of Statewide because:
  - (i) Statewide will have greater access to funding in the bank and capital markets as a result of integration with the Group; and
  - (ii) Statewide will benefit from the synergies, cost savings and greater growth potential through its integration with the Group; and
- (b) the Company will have access to additional capital from the Company, including under the Facility.

The Directors believe that the transactions contemplated by this Explanatory Memorandum are in the interests of the Company.

### ***Disadvantages to the Company of the proposed resolution***

As the Company is already liable under the Facility and has already given security to CBA, the Directors do not believe that there are any disadvantages to the Company of the proposed Resolution, except that the operations of Statewide (its subsidiary), will be restricted by the customary obligations, restrictions and undertakings given by Statewide under the Finance Documents.

### ***Disadvantages to Statewide of the proposed resolution***

The disadvantages to Statewide of the proposed Resolution include:

- (a) it will become liable for the amounts due under the Facility and Finance Documents;
- (b) existence of the Finance Documents, which will rank in priority to any other securities granted by Statewide, may affect its ability to borrow money in the future as a lender may be deterred by the existence of the Finance Documents from lending money to it;
- (c) its assets will be subject to security and its operations will be restricted by the customary obligations, restrictions and undertakings given by it under the Finance Documents;
- (d) the Company or Statewide may default under the Finance Documents or the Facility;
- (e) CBA may make a demand under the guarantee provided by it requiring immediate repayment of the amounts due under the Finance documents and the Facility; and
- (f) CBA may enforce the guarantee and/or security provided under the Finance documents to recover the amounts due.

A demand made under the Facility or the Finance Documents may result in the winding up of any of the Company (and/or its other subsidiaries) or Statewide and a sale of any such assets of the Group by CBA upon an enforcement of the security or execution of a judgment for moneys owing under the guarantee. This may result in a return to the Company (and ultimately its shareholders) significantly lower than could have been achieved had those assets been sold in the ordinary course of business or had the Group continued trading.

### ***Passing the Financial Assistance Resolution***

The Financial Assistance Resolution under consideration is set out in Item 7 in the Notice that accompanies this Explanatory Memorandum.

The Financial Assistance Resolution of the Company will be passed if it is passed as a special resolution.

Shareholders may vote either for or against the Financial Assistance Resolution.

## **Explanatory Memorandum**

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### **Directors' recommendation**

The Directors recommend that Shareholders vote in favour of the Financial Assistance Resolution to approve the giving of financial assistance by Statewide to the Company.

### **Lodgement of documents with ASIC**

As required by section 260B(5) of the Corporations Act, copies of the Notice and this Explanatory Memorandum as sent to Shareholders were lodged with the Australian Securities & Investments Commission before they were sent to Shareholders.

### **Disclosure of all relevant information**

The Directors consider that this Explanatory Memorandum contains all information known to the Company that would be material to Shareholders in deciding how to vote on the proposed Resolution other than information which it would be unreasonable to require the Company to include because it has previously been disclosed to Shareholders.

## Glossary

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In the Notice and Explanatory Memorandum, the following terms have the following meaning unless the context otherwise requires:

AGM, Annual General Meeting or Meeting	The Annual General Meeting of Shareholders of the Company or any adjournment thereof, convened in accordance with the Notice.
Associate	Has the meaning given to that term by sections 12 and 16 of the Corporations Act.
ASX	ASX Limited ACN 008 624 691.
Board	Board of Directors of the Company.
Chairman	The person chairing the Meeting.
Closely Related Party	A “Closely Related Party” of a member of the KMP means any of the following: <ol style="list-style-type: none"><li>1) a spouse, child or dependant of the member;</li><li>2) a child or dependant of the member’s spouse;</li><li>3) anyone else who is one of the member’s family and may be expected to influence, or be influenced by, the member in the member’s dealings with the Company;</li><li>4) a company the member controls; or</li><li>5) a person prescribed by regulations (as at the date of this notice, no additional persons have been prescribed by regulation).</li></ol>
Company	National Tyre & Wheel Limited ACN 095 843 020.
Corporations Act	Corporations Act 2001 (Cth).
Director	A director of the Company from time to time.
Key Management Personnel or KMP	Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of the KMP include the Directors (including non-executive) and certain senior executives of the Company.
Listing Rules	The listing rules of ASX, as amended from time to time.
Notice or Notice of Meeting	The notice of Annual General Meeting which accompanies the Explanatory Memorandum.
Option	An option to acquire a Share issued under the Plan.
Plan	The Company’s Employee Share Option Plan.
Proxy Form	The proxy form accompanying the Notice.
Resolution	A resolution set out in the Notice.
Share	A fully paid ordinary Share in the Company.
Shareholder	A registered holder of a Share.





ABN 97 095 843 020



### Lodge your vote:

**Online:**  
www.investorvote.com.au

**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) www.intermediaryonline.com

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

NTD  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

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### Vote and view the Annual Report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



### Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 11:00am (Brisbane time) Tuesday 13 November 2018**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of National Tyre & Wheel Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of National Tyre & Wheel Limited to be held at **National Tyre & Wheel Limited, 30 Gow Street, Moorooka QLD 4105 on 15 November 2018 at 11:00am (Brisbane time)** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 2 & 6** (except where I/we have indicated a different voting intention below) even though **Items 2 & 6** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 2 & 6** by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Murray Boyte as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of issue of 1,209,016 shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Additional capacity to issue equity securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Grant of options to Peter Ludemann under the Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Provision of financial assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

NTD

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