



National Tyre & Wheel Limited
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ASX Announcement

30 August 2018

CEO CONTRACT AMENDMENT

National Tyre & Wheel Limited (ASX: NTD) ('NTAW') is pleased to announce that the terms of the employment contract for Chief Executive Officer and Managing Director, Peter Ludemann, have been amended.

As disclosed in the Company's 2018 annual report, NTAW 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 resolved to adopt a new executive remuneration framework with the following components:

- Fixed remuneration – comprising base salary, superannuation contributions and other benefits, having regard to comparable market benchmarks;
- STI program – an 'at risk' component of remuneration where, if individual, business unit and Group performance measures are met, senior executives will be awarded cash bonuses equal to a percentage of their fixed remuneration. Performance measures will include a financial gateway hurdle and non-financial KPIs. The percentage of fixed remuneration received as an STI will be capped, but may vary, depending on the level of performance achieved.
- LTI program – an 'at risk' component of remuneration where senior executives will be awarded options which are subject to vesting 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 Board believes that this remuneration framework will ensure that remuneration outcomes link to Company performance and the long-term interests of shareholders.

While final details of the plan are being completed, the Board confirms that Mr Ludemann's remuneration will be as set out in Appendix 1.

ENDS

For further information, please contact:

National Tyre & Wheel Limited
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Chairman
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Appendix 1
Summary of Key Terms of CEO Employment Agreement

Effective date	1 July 2018
Term	No fixed term
Total Fixed Remuneration (TFR)	Annual TFR of \$503,700 consisting of base salary, superannuation and other benefits.
Short Term Incentives (STI)	Mr Ludemann is eligible to receive STI, with a maximum opportunity of 50% of TFR per annum (at maximum performance levels). The STI will be in the form of an annual cash bonus, subject to achievement of key performance indicators as determined by the Board.
Long Term Incentives (STI)	Subject to shareholder approval, Mr Ludemann will be awarded LTI under NVL's Employee Share Option Plan. Awards will be in the form of options to acquire NTAW shares and subject to applicable vesting conditions as determined by the Board to support the long-term growth of the Company. Full details will be provided in the relevant notice of meeting.
Notice	Either party may terminate the employment agreement on 6 months' notice. In the case of termination by NTAW, NTAW may provide payment in lieu of notice. Peter's employment contract does not contain any express redundancy provisions.
Restrictive Covenant	Peter's contract contains a 5 year non-compete restraint within Australia and New Zealand and a 12 month non-solicitation of employees, contractors and clients who deal with NTAW.
Other terms	Mr Ludemann is entitled to 5 weeks annual leave per year. Other terms and conditions in the employment agreement are considered standard for an agreement of its nature, including confidentiality and retention of intellectual property.