



Wellard

ASX Announcement

21 September 2017

Senior Executive Restructure

The Board of Wellard Limited (**Wellard, ASX:WLD**) announces that current Non-Executive Director, Fred Troncone, has been appointed 'Executive Director – Operations'. Mr Troncone will assume management responsibility for all of Wellard's day to day operational matters.

"Wellard has been taking steps to improve its operations and performance, which Mr Troncone will continue to drive through his management of day-to-day operations of the business. I will devote more time to strategic planning and the development of growth initiatives," Wellard CEO and Managing Director Mauro Balzarini said.

Mr Troncone was formerly CEO of Wellard's wholly-owned Wellard Rural Exports business from 2011 to 2015, and was general manager of the Company's South-East Asia business from 2009 to 2010. Mr Troncone has extensive live export experience and has worked as a consultant in a range of industries, with a focus on digital strategies, organisational change and business transformation to positively leverage market conditions and business opportunities. His international business credentials include business in Australia, South-East Asia, China, the Middle East, Europe and Russia. Mr Troncone is an AICD graduate and holds a degree in Business Information Systems and a Masters of Business Administration.

Wellard Non-Executive Chairman David Griffiths said: "The Board is pleased that we can bring Fred Troncone's specialised experience and his successful operational history in our industry to assist Wellard as it addresses the industry conditions and financial circumstances the Company has faced in recent times and positions itself for future growth as conditions improve."

The Board has structured Mr Troncone's remuneration with a significant 'at risk' component. Short-term and long-term incentives are subject to the achievement of performance targets, and will only be earned if Mr Troncone delivers real value for shareholders.

Details of Mr Troncone's Executive Service Agreement are attached to this announcement.

In effecting this management restructure, Wellard has charged CEO and Managing Director Mr Balzarini with responsibility for strategic planning and development of growth initiatives for the Wellard business, and assisting with the effective transition of the operational responsibility to Mr Troncone.

Mr Balzarini's Executive Service Agreement has been varied such that his employment with the Company shall continue until at least the later of 31 December 2017 and the Company having satisfactorily reshaped its banking arrangements with shipping finance provider,

Intesa. Mr Balzarini's restraint period has also been adjusted to end on the date that is the later of 21 September 2018 or when he ceases to be an employee or a director of the Company. The Company has removed the option for 12 months gardening leave.

The other material terms of Mr Balzarini's Executive Service Agreement remain in place.

The Board believes that this strengthening of the management team will accelerate the improvement in the operating efficiency of the Company as well as adding to its marketing and management capabilities.

For further information:

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Summary of Key Terms of Mr Troncone's Executive Service Agreement

Base Salary	\$682,850 per annum, inclusive of superannuation.
Director's Fees	As a Director of Wellard Limited, Mr Troncone is also entitled to \$100,000 per annum, inclusive of superannuation.
Bonus Arrangements	Mr Troncone will participate in the Company's STI and LTI bonus schemes as approved from time to time, and subject to any requisite statutory and regulatory approvals and disclosure requirements.
Short Term Incentive (STI) upon appointment	Mr Troncone may earn up to an additional \$300,000 for achievement of various financial and non-financial key performance indicators as set by the board for the financial year.
Long Term Incentive (LTI) arrangements	<p>Subject to receipt of shareholder approval, Mr Troncone will be entitled to receive 5,600,000 zero exercise price options over new shares in the Company. The options will vest in the following tranches:</p> <ul style="list-style-type: none">▪ 1,400,000 options to vest if the Company's 30-day VWAP reaches \$0.40 or more within 3 years of service;▪ 2,240,000 options to vest if the Company's 30-day VWAP reaches \$0.55 or more within 3 years of service; and▪ 1,960,000 options to vest if the Company's 30-day VWAP reaches \$0.70 or more within 3 years of service; <p>If one or more of the tranches of options vest, Mr Troncone will be able to exercise 50% of the relevant tranche immediately and 50% at the end of the 3-year period.</p>
Term	The Company cannot terminate Mr Troncone's employment contract for at least 12 months (other than with cause). Thereafter, each party must give the other 6 months' notice for termination without cause.