



GWA
Group Limited

ABN 15 055 964 380
t 61 7 3109 6000
f 61 7 3852 2201
www.gwagroup.com.au

Level 2, HQ (South Tower)
520 Wickham Street
Fortitude Valley
QLD 4006

GPO Box 1411
Brisbane QLD 4001

27 November 2015

ASX On-Line

Manager Company Announcements
Australian Securities Exchange

Dear Sir

Update on Chief Executive Officer Succession

GWA advised in June 2015 that having successfully implemented the company's strategic review, Peter Crowley would retire as Managing Director from 30 June 2016.

Tim Salt was appointed Executive General Manager of GWA's Bathrooms & Kitchens business in September 2015 and was to transition to replace Peter Crowley.

The transition has proceeded well and Peter will step down with effect from 31 December 2015 to allow Tim to assume the role of Chief Executive Officer (CEO) from 1 January 2016.

"Over the past few months, Peter has worked closely in assisting Tim to transition to the role of CEO and from 31 December 2015 we have ensured that Peter will continue to be available to assist Tim as required," said GWA Chairman, Darryl McDonough.

"On behalf of the Board, I wish to acknowledge and thank Peter for his dedicated leadership over 12 years as Managing Director of GWA and wish him every success in the future."

"Tim brings extensive leadership experience to the role of CEO, having recently been the Managing Director of Diageo in Australia and New Zealand."

"Since joining the company in September 2015, Tim has been working with our major customers, suppliers and supply chain partners on further opportunities for growth and efficiencies and we look forward to his continuing contribution as CEO," Mr McDonough said.

Summary of Mr Salt's remuneration package

The following is a summary of Mr Salt's remuneration package:

- Total Fixed Remuneration (TFR) comprising salary, superannuation and all other benefits other than incentive plans of \$1,000,000;

- Payment of \$300,000 to be paid at the end of FY16 as agreed compensation for loss of income and benefits as a result of his accepting the role as Executive General Manager of GWA's Bathrooms & Kitchens business;
- Participation in GWA's Short Term Incentive (STI) Plan from FY17:
 - STI opportunity of 40% of TFR based on Board approved KPIs and 50% maximum for outperformance against the KPIs.
- Participation in GWA's Long Term Incentive (LTI) Plan from FY16:
 - LTI opportunity of 60% of TFR over a three year performance period and subject to achievement of performance hurdles in respect of growth in Return on Funds Employed (ROFE) and Total Shareholder Returns (TSR). For FY16 the number of rights to be issued will be calculated based on the volume weighted average closing price of GWA shares over 20 trading days after the release of the company's results to 31 December 2015.

Summary of Mr Crowley's termination entitlements

The following is a summary of Mr Crowley's termination entitlements and other arrangements:

- 6 months TFR equating to a cash payment of \$780,000 being the notice period previously provided;
- Payment for accrued entitlements to annual and long service leave;
- Mr Crowley has agreed to provide consultancy services to GWA to assist Mr Salt in his role as CEO for the period 1 January 2016 to 31 December 2016 for a fee of \$250,000 and has agreed not to compete with GWA or any of its businesses for the period 1 January 2016 to 30 June 2017;
- Mr Crowley will not participate in the FY16 STI Plan;
- Mr Crowley will retain 200,000 unvested Performance Rights granted in 2014 under the LTI Plan which are subject to testing in August 2016, and 153,333 unvested Performance Rights granted in 2015 which are subject to testing in August 2017 in accordance with the LTI Plan Rules, that latter number represents an apportionment of the 2015 grant;
- All other Performance Rights granted to Mr Crowley under the LTI Plan have lapsed.

For analyst/shareholder enquiries:

Martin Cole
Capital Markets Communications
0403 332 977