



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 Monday 28 October 2019
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) 3212 0950 | FAX: 07 3212 0951
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 2019 Annual General Meeting (**AGM**) of NTAW.

NTAW's 2019 AGM will be held on Monday, 28 October 2019 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 (Brisbane time) on Thursday 24 October 2019 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", is written over a faint, illegible printed name.

Murray Boyte
Chairman

Notice of Annual General Meeting

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 Monday 28 October 2019 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 2019.

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 2019 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. RE-ELECTION OF TERENCE SMITH AS A DIRECTOR

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

"That Mr Terence Smith who retires as a Director of the Company in accordance with Listing Rule 14.5 and rule 8.1(g) of the Company's constitution, and being eligible, be re-elected as a Director of the Company."

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

4. 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 4. Further details of this exclusion are set out in the accompanying Notes.

Notice of Annual General Meeting

5. 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 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 5. Further details of this exclusion are set out in the accompanying Notes.

6. RENEWAL OF COMPANY’S PROPORTIONAL TAKEOVER PROVISIONS

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

“That the existing proportional takeover provisions in the form set out in rule 6 of the Company’s constitution are renewed for a period of three years commencing on the date of the AGM pursuant to section 648G of the Corporations Act.”

By order of the Board of Directors



Laura Fanning
Company Secretary
26 September 2019

Notes

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 25 October 2019 (Sydney time). This means that any Shareholder registered at 7:00 pm (Sydney time) on 25 October 2019 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 and quote the 6 digit control number found on the front of your Proxy Form, or scan your personalised QR code shown on the front of your Proxy Form using your smartphone.

Subscribers of Intermediary Online (i.e. custodians) can lodge a proxy online by visiting 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 26 October 2019. 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 2019; 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: Additional capacity to issue shares under Listing Rule 7.1A

The Company will disregard any votes cast in favour of the Resolution for Item 4 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 Listing 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 5: Grant of options to Peter Ludemann

The Company will disregard any votes cast in favour of the Resolution for Item 5 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 4 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 so that they are received no later than 11.00 am (Brisbane time) on 24 October 2019.

Explanatory Memorandum

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.

The Company's 2019 Annual Report is available on the Company's website (www.ntaw.com.au/Annual-reports) and has been sent to those Shareholders who have requested a copy.

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 2019 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 – RE-ELECTION OF TERENCE (TERRY) SMITH AS A DIRECTOR

The 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 14.5 and rule 8.1(g) of the constitution of the Company, Mr Terence (Terry) Smith retires at the conclusion of the Meeting, and being eligible, offers himself for re-election as a Director of the Company.

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

Mr Smith has over 40 years' experience in tyre importing, wholesaling and retailing. His career is one of successful entrepreneurship, as he and his wife, Susanne, were responsible for taking the Company's Exclusive Tyre Distributors from a start-up business to one of the largest independent national tyre wholesalers in Australia.

Terry has been a Director since 8 February 2001 and is currently an Executive Director and a member of the Company's Remuneration and Nominations Committee.

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

Explanatory Memorandum

ITEM 4 – ADDITIONAL CAPACITY TO ISSUE EQUITY SECURITIES

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 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.

Accordingly, Item 4 is seeking Shareholder approval by special resolution for the issue of such number of equity securities as calculated under the formula in Listing Rule 7.1A.2, at an issue price as permitted by 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 102,891,313 Shares and a capacity to issue 15,433,696 Shares under Listing Rule 7.1 and, if the Resolution in Item 4 is approved, a capacity to issue an additional 10,289,131 Shares under Listing Rule 7.1A.

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

The effect of Item 4 will be to allow the Directors to issue equity securities under Listing Rule 7.1A, in addition to the Company's 15% placement capacity under Listing Rule 7.1, from the date of the AGM at which approval of the 10% Placement Facility under 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. 28 October 2020; 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 Listing Rule 7.3A

For the purposes of 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.

Explanatory Memorandum

- If the Resolution in Item 4 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:
 - 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
 - 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 5 September 2019 and the number of ordinary securities for variable "A", calculated in accordance with the formula in 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).

The table also shows:

- 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 Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- 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			\$0.198 50% decrease in Issue Price	\$0.395 ¹ Issue Price	\$0.79 100% increase in Issue Price
102,891,313 (current)	10,289,131	10%	\$2,037,248	\$4,064,207	\$8,128,413
154,336,969 (50% increase)	15,433,696	10%	\$3,055,872	\$6,096,310	\$12,192,620
205,782,626 (100% increase)	20,578,262	10%	\$4,074,496	\$8,128,413	\$16,256,827

¹ Closing price on 5 September 2019 was \$0.395 per Share

- The table has been prepared on the following assumptions:
 - the Resolution in Item 4 is approved;
 - the Company issues the maximum number of equity securities available under the 10% Placement Facility in Listing Rule 7.1A;
 - no options are exercised before the date of issue of Shares under Listing Rule 7.1A;

Explanatory Memorandum

- (d) 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%;
 - (e) 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;
 - (f) the table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
 - (g) the issue of equity securities under the 10% Placement Facility consists only of Shares; and
 - (h) the current Share price is \$0.395 per Share, being the closing price of the Shares on ASX on 5 September 2019.
- 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 4 will also cease to be valid if ordinary Shareholders approve 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) prior to 28 October 2020.
 - 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
 - (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 Listing Rule 7.1A.3.
 - The Company will comply with the disclosure obligations under 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 4) 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 4 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 previously obtained Shareholder approval under Listing Rule 7.1A at its AGM held on 15 November 2018.

Explanatory Memorandum

In accordance with Listing Rule 7.3A.6(a), the Company has issued 1,867,361 equity securities in the 12 months preceding the date of the Meeting and as at the date of this Notice. This represents 1.8% of the total number of equity securities on issue at the commencement of that 12 month period.

Details of each issue of equity securities by the Company during the 12 months preceding the date of the meeting are set out in the table below:

Particular	Issue 1	Issue 2
Date of issue	7 December 2018	4 April 2019
Securities issued and a summary of the terms	1,630,000 unlisted options to acquire ordinary shares, issued pursuant to the Company's Employee Share Option Plan. Full terms and conditions were set out in the Company's Appendix 3B dated 7 December 2018.	237,361 ordinary shares which ranked equally with existing fully paid shares on issue.
Recipient of securities	Key management personnel pursuant to the Company's Employee Share Option Plan.	Existing shareholders pursuant to the Company's dividend reinvestment plan.
Issue price of securities	The options were issued for no consideration. The exercise price for the options was \$1.1724. This represented a 142% premium to the closing market price on the date of issue.	The shares were issued for \$0.51 per share, representing a 0% discount to the 10 day volume weighted average price of shares traded on the ASX from 19 March 2019 to 1 April 2019. The issue price represented a 1% premium to the closing market price on the day of issue.
Consideration	\$nil	\$121,054
Use of funds raised	No funds were raised from the issue.	The funds were used for working capital purposes.
Current Value as at the date of this Notice	\$0.00. The options lapsed on 23 August 2019.	Not applicable.

The Resolution for Item 4 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 4 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

ITEM 5 – GRANT OF OPTIONS TO PETER LUDEMANN UNDER THE EMPLOYEE SHARE OPTION PLAN

The Resolution in Item 5 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 2020 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 2019 Annual Report, the Company's executive remuneration framework for Mr Ludemann 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.

This framework was adopted by the Board in 2018, following Egan and Associates' (remuneration consultants) review of the Company's STI and LTI programs.

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.

The Board has determined that, for the year ending 30 June 2020, 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 2022, 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 2024, being the date which is two years after the Vesting Date, if not lapsed earlier.

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 2021 is at least 10% higher than its EPS for the year ended 30 June 2019.

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

Explanatory Memorandum

The base EPS for the year ended 30 June 2019 will be 7.74 cents per share. This is based upon the Company's 2019 net profit after providing for income tax and non-controlling interests and excluding amortisation (NPATA) attributable to NTAW shareholders of \$7.967 million. The target EPS based on NPATA attributable to NTAW shareholders for the 2021 year is, therefore, 8.51 cents per share.

The EPS results to be used for the 2021 year will be based upon the Company's audited financial statements for that year. However, the EPS may be adjusted for items which the Board, in its discretion, considers should be included in, or excluded from, this result.

The EPS condition has been extended to two years because the Company is not expecting to achieve EPS growth in FY20. The extension reflects the Company's strategy for FY20 and FY21 which will include investment in a number of initiatives during FY20 to position the Company for growth in FY21.

- 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.

Valuation

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

Valuation Date	11 September 2019
Share Price (Valuation Date)	\$0.38
Exercise Price	\$0.3735
Risk free rate (%)	0.83%
Standard Deviation (%)	60%
Expected Life (days)	1,795
Dividend Rate	8.5%
Estimated Value per Option	\$0.1139
Estimated Total Gross Value*	\$20,502

*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.

Explanatory Memorandum

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 2020, 2021, 2022 and 2023.

Why Shareholder approval is being sought

Shareholder approval of the Resolution in Item 5 is being sought for the following purposes:

Listing Rule 10.14

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 5 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 2020 LTI Award.

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

- The maximum number of Options that may be granted to Mr Ludemann is 180,000.
- 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 \$0.3735 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 10 September 2019, being after the release of the Company's 2019 financial statements and the Record Date for the 2019 final dividend.
- No persons referred to in 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 Listing Rule 10.14 entitled to participate in the Plan.
- A voting exclusion statement in relation to the Resolution for Item 5 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.

Explanatory Memorandum

Approval pursuant to Listing Rule 7.1 is not required in order to grant the Options to Mr Ludemann as approval is being obtained under 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 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 \$20,502. 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.

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.

Explanatory Memorandum

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.

Listing Rules 10.18 and 10.19

If shareholder approval is obtained under the Resolution in Item 5, 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 5 for the grant of the Options to Mr Ludemann.

6. ITEM 6 – RENEWAL OF COMPANY'S PROPORTIONAL TAKEOVER PROVISIONS

Background

The Company's constitution currently contains provisions dealing with proportional takeover bids for the Company's Shares. The provisions, which are contained in rule 6 of the constitution, are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company.

Under the Corporations Act, these provisions must be renewed every three years or they will cease to have effect. If renewed, the proposed proportional takeover provisions will be in exactly the same terms as the existing provisions and will have effect for a three year period commencing on 28 October 2019.

The Corporations Act requires that the following information be provided to Shareholders when they are considering the renewal of proportional takeover provisions in a constitution.

Effect of the provisions to be included

A proportional takeover bid is one where an offer is made to each Shareholder for a proportion of that Shareholder's Shares.

If the proportional takeover provisions in the constitution are renewed and a proportional takeover bid is made after 28 October 2019, the Directors must hold a meeting of the Shareholders of the class of Shares being bid for to consider whether or not to approve the bid.

Explanatory Memorandum

The Directors must ensure that a resolution to approve the bid is voted on at least 14 days before the last day of the bid period. The resolution will be passed if more than 50 per cent of eligible votes are cast in favour of the approval.

The bidder and its associates are not allowed to vote on the resolution.

If no such resolution is voted on by the above deadline, a resolution approving the bid is taken to have been passed. If a resolution to approve the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn.

If the bid is approved or taken to have been approved, the transfers resulting from the bid may be registered provided they comply with other provisions of the Corporations Act and the Company's constitution.

The proportional takeover provisions do not apply to full takeover bids and will only apply for three years after the AGM, unless again renewed by Shareholders.

Reasons for proposing the resolution

The Directors consider that Shareholders should have the opportunity to vote on any proportional takeover bid for the Company. Without the proportional takeover provisions being included in the constitution, a proportional takeover bid for the Company may enable control of the Company to be acquired without Shareholders having the opportunity to sell all of their Shares to the bidder. Shareholders may therefore be at risk of passing control to the bidder without payment of an adequate control premium for all their Shares whilst leaving themselves as part of a minority interest in the Company.

The proportional takeover approval provisions lessen these risks because they allow Shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

The benefit of the provision is that Shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

No knowledge of present acquisitions or proposals

As at the date of this Notice, no Director of the Company is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages for the Directors and Shareholders of the Company

The renewal of the proportional takeover provisions will enable the Directors to formally ascertain the views of Shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that the renewal of the proportional takeover provisions has no potential advantages or potential disadvantages for them as they remain free to make a recommendation on whether a proportional takeover offer should be approved.

The potential advantages of the proportional takeover provisions for Shareholders of the Company are:

- Shareholders have the right to determine by majority vote whether a proportional takeover bid should proceed;
- the provisions may assist Shareholders to avoid being locked in as a minority;
- increase in Shareholders' bargaining power which may assist in ensuring that any proportional takeover bid is adequately priced; and
- knowing the view of the majority of Shareholders assists each individual Shareholder in assessing the likely outcome of the proportional takeover bid and whether to accept or reject an offer under the bid.

Explanatory Memorandum

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- the likelihood of a proportional takeover bid being successful may be reduced and the provisions may discourage the making of a proportional takeover bids in respect of the Company;
- the provisions may reduce the opportunities which Shareholders may have to sell all or some of their Shares at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's share price; and
- the provisions may be considered an additional restriction on the ability of individual Shareholders to deal freely in their Shares.

However, on balance, the Directors do not perceive those disadvantages as justification for not renewing the proportional takeover provisions for a further three years.

Review of advantages and disadvantages of the proportional takeover approval provisions

While proportional takeover provisions have been in effect under the Company's constitution, no takeover bids for the Company have been made, either proportional or otherwise. Accordingly, there are no actual examples against which the advantages or disadvantages of the existing proportional takeover provisions (that is, rule 6 of the existing constitution) could be reviewed for the Directors and Shareholders of the Company. The Directors are not aware of any potential takeover bid that was discouraged by rule 6.

Director's recommendation

The Board unanimously recommends that Shareholders vote in favour of the Resolution in Item 6 for the renewal of the proportional takeover provisions.

Glossary

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

2019 Annual Report	The Annual Report for the Company for the financial year ended 30 June 2019.
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">1) a spouse, child or dependant of the member;2) a child or dependant of the member’s spouse;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;4) a company the member controls; or5) a person prescribed by regulations (as at the date of this notice, no additional persons have been prescribed by regulation).
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.



NTD

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
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Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (Brisbane time) Saturday 26 October 2019**.

Proxy Form

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

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Use your computer or smartphone to appoint your proxy and vote at www.investorvote.com.au or scan your personalised QR code below using your smartphone.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

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

XX

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 Monday 28 October 2019 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 & 5** (except where I/we have indicated a different voting intention in step 2) even though **Items 2 & 5** 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 & 5** by marking the appropriate box in step 2.

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 RE-ELECTION OF TERENCE SMITH AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 ADDITIONAL CAPACITY TO ISSUE EQUITY SECURITIES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 GRANT OF OPTIONS TO PETER LUDEMANN UNDER THE EMPLOYEE SHARE OPTION PLAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 RENEWAL OF COMPANY'S PROPORTIONAL TAKEOVER PROVISIONS	<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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

